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Chair

Mr. Tom Lukiwski

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● (1100)

[*English*]

The Chair (Mr. Tom Lukiwski (Moose Jaw— ... Centre—Lanigan, CPC)): It being 11 a.m., I'll convene the meeting and call it to order.

Colleagues, I have a couple of housekeeping notes. This meeting is in public and it is televised, first of all. Second, as you can see from our witnesses assembled at the table, a number of department officials will be with us today. Because of the sheer number of witnesses we have, we will be forgoing our usual opening statements and going into questions immediately to give all of you more time to ask questions of the officials before you.

Treasury Board and their officials will be with us for the full two hours. We will have one-hour panels initially, followed by a second panel starting at approximately noon. Today we have representatives, in our first panel, besides the Treasury Board, from the Department of Finance, Department of Industry, Department of Natural Resources, Department of Transport, and the National Research Council of Canada.

With that brief introduction, we will now begin with our seven-minute round of questions.

Madam Ratansi, the floor is yours.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you, all, for being here. Treasury Board has been back here a few times. As you know, we are seized with the issue of vote 40 and the allocation in vote 40. I understand there's been a small confusion or misunderstanding, or perhaps lack of understanding of what that vote 40 is. It has come before OGGO, which is the committee that has to approve the allocation. There have been questions about how departments that have that money allocated to them are not comfortable, or don't know what that money is for. That's the narrative we've been hearing from the opposition. So I want a global view of what this vote 40 does and doesn't do.

For example, I know this has been a transition from the old system to the new system. In the old system everybody approved the main estimates without knowing what they were approving when they approved them. Now there's an alignment process. As an accountant, I think that is where the alignment process allows us to have a contingency or a buffer. For the benefit of all of us, and the people who are probably listening to this on television, could you please clarify and explain exactly what the parameters of vote 40 are. If monies are not used, what will happen to them?

Mr. Brian Pagan (Assistant Secretary, Expenditure Management Sector, Treasury Board Secretariat): Thank you, Madam Ratansi.

As you mentioned in your question, vote 40 is a very important step towards the President of the Treasury Board's agenda for improved transparency in the reporting of estimates requirements and his ongoing effort to ensure maximum alignment between the budget that is tabled by the Department of Finance and the estimates that are prepared by the Treasury Board Secretariat to inform Parliament of the government's requirements for the year ahead.

In the main estimates for 2018-19, we've taken a very important step forward, by achieving that clarity between the budget and the estimates. The budget that was tabled in February identified the government's intention to seek authorities to spend just over $7 billion on a range of initiatives for departments and agencies across government. In years past, Parliament would have been left waiting for the estimates authority. There was no line of sight as to whether those requirements were going to be brought forward in the first supplementary estimates of the year, the last supplementary estimates of the year, or even in estimates in the year forward.

This year, for the first time, we have taken the clarity of the budget that outlines the items by department, by initiative, and by amount and we have replicated that in the estimates, so that parliamentarians can see very clearly what the government intends to do for the year ahead. This is a way for parliamentarians to hold the government to account for the requirements to be sought by departments. There is nothing nefarious here. It is 100% transparent between the budget and the estimates document.

In the event that items are not brought forward by departments for approval, as the president has made clear, those funds would remain in the vote. They cannot be used for any other purpose. We are bound by the annex list in the estimates, such that we can only allocate funding that has been specifically identified in the estimates document by department, by initiative, and by amount.

Over the last couple of years, again, as part of our effort to improve transparency to Parliament, we have taken the opportunity, with the last supplementary estimates of the year, to highlight to Parliament those amounts that have previously been approved and are not going to be accessed by departments and we have frozen those amounts. We have made them unavailable to departments. That same principle will be applied this year for TB vote 40. Should funds not be allocated, then they will be identified to parliamentarians as amounts frozen at the year end. They will lapse in the fiscal framework, and should that funding be required in subsequent fiscal years, then those will be identified in future year estimates documents.

To sum up, vote 40 is an important step forward in helping parliamentarians understand the connection between the budget and the estimates. There is no light between the amounts in the initiatives that are identified in the budget and the amounts in the initiatives that are identified in the estimates. In this way, we have achieved alignment with the budget. We have provided Parliament with additional information, by which they can hold the government to account, and they can regularly check in with departments and with the Treasury Board Secretariat to ask questions about the pace of implementation of these budget priorities.

● (1105)

Ms. Yasmin Ratansi: To clarify, you're saying that this is more accountable and more transparent, but vote 40 has come to OGGO. It hasn't gone to different departments. In the previous system, the supplementary estimates used to go to different departments.

Could you help us understand how that system has changed to make it more accountable? I am with you. Previously, the main estimates made no sense and we were approving something that had no relevance to the budget, but I think that we need to figure out whether vote 40 is a temporary measure, while you're moving from one system to the other, or whether it is a permanent fixture.

The Chair: Mr. Pagan, I know it's going to be difficult for you, but you only have about 30 seconds left.

Mr. Brian Pagan: The House of Commons has approved changes to the standing order for the duration of this Parliament in order to allow Treasury Board to move forward with an agenda to reform and align the estimates with the budget. Vote 40 is intended to be a temporary measure in accordance with that change to the Standing Orders for the duration of this Parliament.

We would expect to assess and evaluate this mechanism and then seek approval from Parliament in the next Parliament as to how best to move forward with the effort to align the estimates with the budget.

The Chair: Thank you very much.

Mr. McCauley, you have seven minutes.

Mr. Kelly McCauley (Edmonton West, CPC): Welcome, everyone.

Mr. Mongeau, I'm going to start with you, please. There's $59.5 million, I think it is, for Transport in vote 40.

Can you walk us through how those numbers were included in this central vote? What did you have to provide to Treasury Board to get it into the central vote as opposed to the regular estimates process?

[*Translation*]

Mr. Pierre-Marc Mongeau (Assistant Deputy Minister, Programs, Department of Transport): Thank you for your question.

I will let my colleague speak to the second aspect of vote 40.

Essentially, to conduct the various projects, this year we have asked to continue working with the northern project management office, which is responsible for the environmental assessment of major projects in the north, above the 60th parallel.

As to the programs, vote 40 is 1 million dollars this year and we are requesting the same amount for a second year so that essentially...

[*English*]

Mr. Kelly McCauley: Let me interrupt you for a second.

For the items in vote 40 specifically, including protecting marine life, maintaining rail service to remote communities, and strengthening airports serving remote communities, what led you to request those to be in vote 40 as opposed to the regular estimates process in your own department? How did they end up in Treasury Board instead of in your department?

I would like to hear from the department, please.

● (1110)

Mr. Brian Pagan: Because it's dealing with the Treasury Board approval process, I think I'm better positioned to respond to the question.

Mr. Kelly McCauley: Let me ask you the question, then. Did you come up with these numbers for Treasury Board?

Mr. Brian Pagan: The numbers were developed jointly with the department for approval by Treasury Board ministers.

Mr. Kelly McCauley: Transport worked with Treasury Board?

Mr. Brian Pagan: They identify their requirements and they cost those out, and then the Treasury Board approval process is the way in which the executive does their due diligence and challenges the requirements of the department before providing approval.

Mr. Kelly McCauley: Then how, for example, for the items I just listed, are they determined to go into vote 40 under Treasury Board instead of Transport Canada estimates?

Mr. Brian Pagan: As mentioned previously, the central vote is the construct by which we can take all of the budget items and bring them into the estimates. There were a number of initiatives, including from the 11 departments listed here—

Mr. Kelly McCauley: Specifically for transportation—

Mr. Brian Pagan: —that were approved by Treasury Board in advance of the budget. For the most part, these were initiatives that had previously existed for which the authorities were sunsetting—

Mr. Kelly McCauley: Let me interrupt you there. Would this be for other departments as well?

Mr. Brian Pagan: I don't understand the question.

Mr. Kelly McCauley: You said that these were numbers previously approved by Treasury Board.

Mr. Brian Pagan: These are initiatives previously approved by Treasury Board and by parliamentarians, what we often refer to as sunsetting programs. In this case, the initiatives were brought forward to Treasury Board for approval. We challenged the numbers and made sure we were satisfied with the requirements, and then they were included in the vote.

Now, in this case, what you're seeing are items that had already been approved by Treasury Board in advance of the tabling of the estimates. The choice, too, Mr. McCauley, was—

Mr. Kelly McCauley: That's my question. Would this be similar for other departments, then, for theirs...?

Mr. Brian Pagan: For the amounts that were part of the allocations—

Mr. Kelly McCauley: For vote 40.

Mr. Brian Pagan: —initially identified when the main estimates were tabled, they would have followed the same process, yes.

Mr. Kelly McCauley: That's interesting, because we asked other departments this question, and of course that was one of the issues why we asked you here today. They weren't able to substantiate where the numbers came from. One of the departments, actually, when we asked about what the details were—and you're telling me that they've already gone through the process—told us that to expect an explanation of what the money would be for before being approved would be preposterous.

They said to us that it would be preposterous for an MP ask what the details were when the money hasn't even been approved, or the plan hadn't even been developed. Do you agree with that?

Mr. Brian Pagan: I'm not familiar with the exchange, Mr. McCauley, but I would point out that—

Mr. Kelly McCauley: That was from the senior assistant deputy minister and the CFO for PSPC.

Mr. Brian Pagan: —there are two categories of items in vote 40.

There was $220 million included in the initial listing that has already been approved, and in those cases the departments assembled here today can provide detailed responses to your questions about FTEs, the votes, the results, and the indicators.

For the items that are in the budget that have not yet been approved, departments are—

Mr. Kelly McCauley: Mr. Chairman, I'd like to ask a question of Mr. Mongeau, please.

Mr. Brian Pagan: —in a position where, because their items have not yet been approved by Treasury Board, they will have some difficulty in explaining—

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Mr. Chair, on a point of order, my colleague, Mr. McCauley, had a question for department officials, and wished to use his time for that purpose. I would ask you, as the chair, if you could direct the appropriate witness to answer the question on Mr. McCauley's time.

The Chair: I have suspended the time, so you're not being docked any time.

I would encourage both our witnesses and our colleagues around this table to respect one another in terms of getting a fulsome answer when asked a direct question. But should Mr. McCauley, since he has limited time, want to interrupt to go to a different question for a different panellist, I would ask Mr. Pagan that you respect that as well.

Mr. McCauley, I understand that you had a question for Monsieur Mongeau. Please proceed.

Mr. Kelly McCauley: Sorry, and I appreciate that we're just short of time.

On strengthening motor vehicle safety, in vote 40, there is $3.9 million. Allotted was $3,156,000, and withheld was $727,000. How did you arrive at $3.9 million, and why is the allocation to spend, and I guess approved by Treasury Board, only roughly $3.2 million?

Ms. Lori MacDonald (Assistant Deputy Minister, Safety and Security, Department of Transport): Thank you, Mr. Chair. I'll take that question.

Under the motor vehicle safety program, we developed a three-year action plan, and based on that action plan we identify specific activities that we want to undertake. We work with Treasury Board on those numbers. They include everything from the number of FTEs that we may require, to operating money we may require, to work we may be doing with the provinces and territories, or to work that's already under way. We develop numbers and requirements based on that, which we work with Treasury Board to determine what is the best—

● (1115)

Mr. Kelly McCauley: What is the time difference between the $3.9 million and the allocation of the $3.2 million? How much time apart?

Ms. Lori MacDonald: I don't have that information in front of me, but I can tell you that we look at year over year what kind of work activity we have under way, what we've accomplished, and what we need to accomplish going forward, and we adjust allocations as we go forward.

Mr. Kelly McCauley: What would we know now that we didn't know a few short months ago when we put the $3.9 million down, that would leave the $727,000 difference?

Ms. Lori MacDonald: It could be depending on the kind of project that we have. It could be related to a research initiative. It could be related to work that we might have undergoing with industry, as an example, that they might be doing, which impacts us. That is the very fluid kind of work that we do that could change week by week, so we make those determinations based on that information that's available to us.

The Chair: Thank you.

Mr. Blaikie, for seven minutes, please.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much.

Due to the time constraints, I'm going to have to divide my questions between some department-specific questions and some more general questions about the process.

This question is for Ms. Laniel, from the Department of Finance.

By what point in the year typically are the major new budget items approved by cabinet? At what point would the Department of Finance know which initiatives of the departmental ask list are going to be included in the budget and which ones are not?

Ms. Adelle Laniel (Chief Financial Officer, Financial Management Directorate, Corporate Services Branch, Department of Finance): My understanding of the budgeting process—and I am new at Finance, so I haven't been through the process yet—is that it starts coming in in the fall, but it does vary from one year to another. There is no confirmation until the start of the new calendar year. There are no approvals.

Mr. Daniel Blaikie: By January, would Finance have a pretty good sense of what's going to be included in the budget?

Ms. Adelle Laniel: There are frameworks, but there are no approvals that have been done yet.

Mr. Brian Pagan: Mr. Chair, may I interject at this point?

There is a very important principle here about cabinet confidence.

Mr. Blaikie, I do understand and appreciate the question, but when we speak of timing in terms of when the executive makes certain decisions, that is a matter of cabinet confidence.

In response to Mr. McCauley's question about the difference between allocated and withheld, I would simply point out for the benefit of the committee, and we've been clear on this, that—

Mr. Daniel Blaikie: That's fine, but that's not my question.

Thank you, but you don't have to answer somebody else's question on my time. You can come back to that with Mr. McCauley.

Mr. Brian Pagan: Okay.

Mr. Daniel Blaikie: Part of the role of the committee is to evaluate the quality of the estimates process, and one of the questions at issue is how quickly initiatives from the budget are developed in conjunction with Treasury Board, or not, in relation to the timing of the budget. It's pretty hard to make an evaluation if we can't even get a very general sense of when....

Certainly, by a certain point cabinet must have a.... I don't think we're asking for any particular detail, and we're not asking for the timing of any particular decision. We're just asking when, approximately, can it be said that cabinet has an idea of what the major new budget items are going to be. That's a pretty broad interpretation of cabinet confidence.

In any event, how quickly, after new budget items are approved, so for any specific budget item, would that information be shared with Treasury Board?

Ms. Adelle Laniel: Unfortunately, I am not part of that process, so I cannot speak to that.

Mr. Daniel Blaikie: All right, so we can't get answers that we would want about the process.

Mr. Brian Pagan: I can, Mr. Blaikie, and as we see—

Mr. Daniel Blaikie: Well, how soon would you know that cabinet has approved things that they haven't shared with you?

Mr. Brian Pagan: I am part of the process by which the budget is finalized, so I know when cabinet is making those decisions, and I also sit at the Treasury Board table where I see departments bring forward their items for approval.

As we have seen in years past, there can be a considerable time lag between the budget decision and TB approval, and in some cases this can stretch out over years. We have seen in previous supplementary estimates budget items from budget 2015 and budget 2016. It really does vary according to the initiative under consideration and whether there are detailed discussions and negotiations required with other parties, be they provincial governments, NGOs, contracting, etc.

There is no simple answer to that question.

Mr. Daniel Blaikie: Treasury Board is not an inherent part of the pre-budget process, in other words.

Mr. Brian Pagan: I would argue that they are. We work with Finance to do a challenge function on the departmental requests to determine that the costings are reasonable and that the program gap to be filled is something—

● (1120)

Mr. Daniel Blaikie: Why is it not possible to have Treasury Board submissions for new budget initiatives done prior to the release of the budget or, at the very least, the release of the main estimates?

Mr. Brian Pagan: In fact, it is. What we saw in the document tabled on April 16 are allocations proposed by Treasury Board for items that, in fact, have already been—

Mr. Daniel Blaikie: Yes, for $221 million over $7 billion, so it's a considerably small percentage, I think it's fair to say, by just about any measure.

Mr. Brian Pagan: The president has cited other jurisdictions, Australia and Ontario in particular—

Mr. Daniel Blaikie: Yes, indeed, where that work is done, and, in effect, the promise made in the debate about extending the deadline for the tabling of the main estimates was that more items would go through Treasury Board. I was hoping we might get a bit of a different take, frankly, from the Department of Finance, because we have heard from you often on this. I see that's not in the cards, and there are some other questions I want to ask.

At what point would departments have been notified that funding was being proposed for their department in the new central vote as opposed to an ask for them to submit through the regular approval process? Was there a memo circulated to departments letting them know about the new central vote?

Mr. Brian Pagan: Not to my knowledge. There was a conference call and a subsequent email, to which I believe you've requested access under an access to information request—

Mr. Daniel Blaikie: When did that conference call occur?

Mr. Brian Pagan: If I'm not mistaken, it was the day after the budget.

Mr. Daniel Blaikie: What was revealed to departments then was that some of the funding for their new budget initiative or—

Mr. Brian Pagan: We explain in a fair bit of detail how the central vote would work, what it would look like, and how departments would access funding for the budget initiatives if the item was included in the central vote.

For the items that had already been approved, no further action was required by departments, so everything that we're talking about today is items that have already been approved by Treasury Board, and that money will be allocated upon release of supply.

For everything else—in response to Mr. McCauley's question—these are items that are under development by departments, so they are actively working now on Treasury Board submissions that define the program terms and conditions, how many FTEs are required, what results they hope to achieve, the indicators they will use, the partners they are working with, and the contracts that will be required. All of this is happening in real time, and we have updated the allocations from the vote—

Mr. Daniel Blaikie: Under the former process, that is work that would have been done before estimates or a particular approval came to committee for approval by parliamentarians.

Mr. Brian Pagan: Correct. In the former process, Parliament would have seen the results of those approvals in subsequent supplementary estimates—

Mr. Daniel Blaikie: So it's new that parliamentarians don't necessarily have the benefit of that work when they're asking departments questions about whether funding is justified or not.

Mr. Brian Pagan: Respectfully, I would argue to the contrary that what we're seeing now in the main estimates is a complete list of all of the items, and right now we have in the vote—

Mr. Daniel Blaikie: Yes, but just on the point of program development through Treasury Board submission—

The Chair: I know we have the Treasury Board officials here for the full two hours, but unfortunately, we'll have to get back to that. I appreciate, Mr. Pagan, that you want to further expand on your answer but we'll have to do that in a subsequent question.

Monsieur Drouin, for seven minutes, please.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Thank you, Mr. Chair.

I want to thank everyone for being here. I think this is probably the most witnesses I've seen in one sitting.

Mr. Pagan, I want to go back to how we got here. I know that this committee and my predecessors, including Mr. Pat Martin and his committee in 2012, went through the reasons that we needed to align the main estimates. You touched a little bit on the budget implementation vote, the famous vote 40. Other jurisdictions in Canada do this, and I think Ontario is one of them. Is that right? To your understanding, is the process they go through very similar to what we're going through right now?

Mr. Brian Pagan: For the benefit of the committee, I'll remind you of the president's agenda related to estimates reform. He wanted to fix the timing of the processes so that we properly sequenced the documents—a budget and then the estimates. That would also support a reconciliation between the two documents. That was pillar two of his agenda. The third was the idea that we might look at alternate bases of parliamentary control. Instead of votes by inputs, look at purpose-based votes. The fourth was better reporting, primarily through reformatted table documents and such online tools as TBS InfoBase.

In response to your question about how we got here, the report from this committee in 2012 identified many of these issues. The president's agenda responded to that. We fixed the timing. With the estimates now after the budget, we are able to bring all of the budget items into the estimates by department, by initiative, and by amount. That's a very important point. In the past, we would have included a budget item in the supplementary estimates, we would have named the department, we would have named the initiative, and we would have had the amount. We would have tagged that as budget 2015, budget 2016, or whatever.

The amount of information that is provided in the budget implementation vote is completely consistent with the type of information that we previously would have provided in a supplementary estimates document. Instead of waiting to see when that will come, and how the estimates will align with the budget, we believe we have added to the transparency of the process by listing every single item that's in the budget to the same level of detail that would otherwise have been appearing sometime down the road in the supplementary estimates process. There's no waiting. There's no gap between the budget and the estimates. We're identifying what we believe are the maximum authorities required by departments to implement the budget initiatives.

With respect to Mr. McCauley's question about the difference between the allocated and the amounts withheld, there's nothing nefarious here. We've spoken to this point. It speaks to the fact that the budget item is all in. It identifies the full cost of the initiative, whereas the estimates only seek the cash required to implement the initiative. The difference is the amounts covered through other authorities. We have employee benefit plan costs. The EBP costs are withheld because there's a statutory basis for those payments. Likewise, when the department comes forward with their initiative, they are charged accommodation costs so that we can make this cost-neutral for PSPC to provide accommodations and real estate space for departments.

So the amounts withheld reflect the other authorities required to implement the budget initiatives. What we are seeking is the cash, but we're reporting the full cost of the initiative. Again, we believe this enhances the transparency of the process for parliamentarians.

● (1125)

Mr. Francis Drouin: I'm trying to understand whether or not what the opposition is bringing forward is legitimate. Certainly Ontario has been doing this for many years now. We know that the current leader of the NDP has not been, or I don't recall seeing in the media, against the current Ontario budget process and main estimates. Now he's at the federal level, different story.

I'm trying to understand this. In the spirit of collaboration, next year when we go through this process again, are there items that you would look to improve in order to perhaps bring in, whether it's warranted or not, what the official opposition is saying and what the Parliamentary Budget Officer is saying? Is there a way we could improve this process, moving forward or do you believe we've done a good job?

Mr. Brian Pagan: I believe we have done a very good job this year in providing information that enhances transparency, but this is not our idea of an end state. It is a step along the way to continue, and it's a never-ending quest to improve that alignment and transparency.

As the president has said, there are jurisdictions out there where they start the planning process earlier. They can do the budget decision and TB decision in parallel, and that's what we aspire to. He's also said that will take a number of years to change the machinery and the processes related to budget development.

I would also point out that, although we have identified other jurisdictions that we would like to emulate, those are not perfect models themselves. Even in Australia and Ontario, they include a number of items in the estimates documents that are yet to be developed or for which subsequent TB approvals are going to be required. In fact, in Australia that number approaches 10% of the estimates. Our budget implementation vote is considerably less than 10% of vote expending.

We feel we have made an important step forward, but it's a step, not the end state.

Mr. Francis Drouin: Okay, and what you've committed to is to publish, once the votes are approved, for example, vote 40 is $7 billion. I know that some $1.2 billion has already been published online, so you're going to do this every month for the next—

● (1130)

Mr. Brian Pagan: That's correct, right until the end of the fiscal year.

Mr. Francis Drouin: Okay.

I read an article by Scott Clark and Peter DeVries who are not just editorialists; one is a former deputy minister of finance, and the other one was the director of the fiscal policy division at the Department of Finance. They are supportive of the changes that the President of the Treasury Board has brought forward, and they don't necessarily agree with what the PBO has suggested—

The Chair: Mr. Drouin, I'm afraid I'm going to have to interrupt you. I know it's going to be an interesting question, but Mr. Pagan will have to wait before he gets to answer.

We now go to our five-minute round.

Mr. McCauley, you have five minutes, please.

Mr. Kelly McCauley: I just want to note one thing. I've read the 2012 report out of OGGO about the estimates, and nowhere does it say "create a $7-billion vote 40". In fact, I've chatted with some of the people who were on the committee at the time and they're quite aghast at this.

You mentioned that, with some of the funds, the plans were under development when we talked about how items under vote 40 would be spent. If they're under development, do you not believe it's kind of incorrect to ask Parliament to approve money for which the plan hasn't been developed as to how this money is going to be spent? Isn't it putting the cart before the horse?

Mr. Brian Pagan: Right, thank you, Mr. McCauley.

Mr. Kelly McCauley: I'm sorry, just give a very brief response, because I have a couple of other things.

Mr. Brian Pagan: It's a valid point and we struggled with the best way of achieving that alignment to the budget. At the end of the day, the estimates provide "up-to" amounts. The money need not be allocated or spent. Our goal is simply to provide information to Parliament as early as possible in the fiscal year about the potential authorities required by the executive to implement the priorities of government as articulated in the budget.

Mr. Kelly McCauley: I just want to read you something. This is from the Parliamentary Budget Officer: "|T|here remains a lack of alignment between the Budget initiatives and planned results" because "the initiatives to be funded through this vote are not reflected in the Departmental Plans."

We brought this up before. They're not developed plans; hence, he says they are not in alignment.

He said:

> The Government's approach to funding Budget 2018 initiatives provides parliamentarians with information that only marginally supports their deliberations and places fewer controls around the money it approves.

Again, on one hand we're saying it's more transparent, but the PBO is saying it's not in alignment and it's actually taking away oversight and control. Do you concur with the Parliamentary Budget Officer, or—

Mr. Brian Pagan: I would clarify the points he is trying to make. With respect to departmental plans, as we have seen in years past, we bring forward in supplementary estimates (A), (B), and (C) budget initiatives that are also not part of departmental plans when they are tabled, so there is no difference or inconsistency.

There is a challenge in timing, I grant you that. We now have the estimates after the budget. We need to work closely with departments and with the Department of Finance so that we can properly sequence—

Mr. Kelly McCauley: I'm just going to ask quickly about the departmental plans. When will the money that is shown in vote 40...? When will we actually see what the department will achieve for results? I would challenge you to actually read the departmental plans. I've been through every single one of them, and they do not provide any.... They provide very bare information for actually what is in their estimates, much less for what's in vote 40.

Let me just—

Mr. Brian Pagan: I have two answers to your question, Mr. McCauley.

The first is that we did a demonstration a couple of weeks ago on TBS InfoBase and our commitment to parliamentarians is that as initiatives are approved they will be added to TBS InfoBase with the results to be achieved.

Mr. Kelly McCauley: I have another question for you, as I think we're going to run out of time. There are two tables on the website, and Mr. Drouin referred to them. These are the Treasury Board central vote allocations and the sources and uses table. One shows $220 million; that's one where we have vague details. The other is $1.4 billion, with no details at all. They're both updated the same day.

Can you explain what is what, and why do they not match? We've heard repeatedly from your department and from the President of Treasury Board we would receive updated information, but we don't.

Mr. Brian Pagan: Marcia's team just led the update of those tables so she'll respond.

Ms. Marcia Santiago (Executive Director, Expenditure Management Sector, Treasury Board Secretariat): The difference between the two tables is this. The sources and uses table, which is the detailed Excel table that goes item by item and shows items allocated, in this case proposed to be allocated, as well as the amounts withheld, that's the report that's intended to be reported monthly. We did post a notice in May that said nothing had been allocated or proposed.

● (1135)

Mr. Kelly McCauley: We've been told monthly we will get the full details and that's been part of the promise of, "Don't worry, you'll get the full details of what the plan is," but we don't. We have $1.2 billion with no backup, and no explanation.

Ms. Marcia Santiago: The text report on allocations and planned central votes, that's the parallel report to the one we publish with every supplementary estimates, and the intention was to have the same kind of information published for everything that was approved between April 16 and when we table supplementary estimates (A) to release that all at that point. We could, if it's the interest of this committee, look into doing earlier updates of that. That actually wasn't part of our original plan, but we could look at accelerating the release of the text information as well.

Mr. Kelly McCauley: Thanks.

The Chair: You have five minutes, Mr. Jowhari.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Mr. Chair. I'm going to go straight to Mr. Pagan.

Mr. Pagan, I'm trying to get my head around at the outset when the $7-billion estimate was presented and was presented on A2.11 and it's been itemized. What information do I have available in my position so that I would be able to make a decision on whether this needs my approval or not? I'd like to actually use two examples by referencing the sources and uses document, the one that came on June 5, especially the line item having to do with "Strengthening the Canada Border Services Agency" for $85 million, of which we've now allocated $73 million and withheld $11 million. There's another line item "Building More Rental Housing for Canadian Families", for which there's a total of $447 million.

There seems to be information available, and I believe this is as the details are provided to the Treasury Board and Treasury Board reviews it and it says it approves. That's where the $73 million comes in. Very little information is available, or the file is in the process of you guys reviewing, and that's why the zero allocation is done. At the outset, what information do I have available, because allocated, it looks like at the outset they're all going to be zero. Tell me what information is available so that you made the decision on $73 million, no decision on zero, and why that information cannot be available earlier when you're actually submitting this document so we could say, yes, we know everything that's happening.

Mr. Brian Pagan: Thank you, Mr. Jowhari.

It's a very important point. It's a fundamental point, and I think it speaks to some of the confusion that exists around what we're presenting, and actually what parliamentarians are approving. With respect, I make this point very carefully.

Parliament does not approve individual initiatives. That is the role of the executive. That's a Treasury Board function. The estimates process exists in order to help parliamentarians hold the government to account for expenditures.

What we have done in TB vote 40 is to itemize every single initiative that the government intends to bring forward as a result of budget 2018, and that the House of Commons has endorsed by endorsing budget 2018 in March. The information available to you facilitates that ability to hold the government to account for these items.

How much has been allocated? For what purpose? How many FTEs are there? What are the results? What are the indicators? These are all legitimate and valid questions that parliamentarians can and should be asking departments as the initiatives are approved and this money is allocated out to departments.

We have before us today $1.2 billion of decisions that have been taken, so parliamentarians can ask my colleagues about the specifics around that initiative—FTEs, results, partners that they're working with, and so on.

For the other items, as we've made clear, these are under development, so we don't have the specific details of FTEs or partners, but we certainly have information about what the government would like to achieve as a result of this investment, and departments can speak to that as well. They can't get into the details of the discussions with Treasury Board at this point, but they can certainly identify in a fair bit of detail what they hope to achieve with the moneys that have been set out in the budget.

That is the principle around vote 40 and why we believe that this actually helps parliamentarians hold the government to account for the authorities to be sought in fiscal year 2018-19.

● (1140)

Mr. Majid Jowhari: The government is accountable after the detail is done, based on the criteria that has been agreed on, because, aside from holding the government accountable for $447 million, the detail of what we can hold the government accountable for is coming after it has been agreed to by the Treasury Board.

Mr. Brian Pagan: Well, it starts with an endorsement of the—

The Chair: A very brief answer, please.

Mr. Brian Pagan: Right.

As an example, you will see, under the Canadian Food Inspection Agency, strengthening Canada's food safety system, $12.7 million. That is an item that has been identified in this budget. Does Parliament support that initiative? If they don't, they have the authority now to reduce the amount of the vote or to strike that item from the vote. If they in fact support the initiative, then they can ask questions of the department, such as how they are doing it, what partners they are working with, how many FTEs there are.

The Chair: Mr. Kelly, you have five minutes, please.

Mr. Pat Kelly: I want to begin with a quick comment. We've had a fair bit of discussion around comparative systems, and it has been said that the Province of Ontario has a system much similar to this. I would point out to the committee that the Province of Ontario has the largest sub-sovereign debt in the world. I would suggest that we not take lessons from the Province of Ontario on financial oversight. I would say that the argument that this happens in Ontario would be a counter argument to allowing the implications behind vote 40 to take root in the Canadian federal Parliament.

We heard on May 22 from Mr. Pagan about most vote 40 items not having gone through the Treasury Board submission and approval process at that point. Now that we have some department officials here, I'd like to ask about some individual departments.

This question is for the Department of Natural Resources. On your vote 40 allocation, which I understand is some $16 million, which of these items, if any, have now gone through the Treasury Board submission process?

Mr. John Kozij (Director General, Trade, Economics and Industry Branch, Canadian Forest Service, Department of Natural Resources): Thank you. My name is John Kozij. I'm the DG of trade, economics and industry branch at Natural Resources Canada, with the Canadian Forest Service.

Our numbers were $12.3 million, actually. If you have $16 million, then it must be as a result of EPB, I imagine, as well as combinations that are factored in. Our resources are dedicated towards full-time equivalent supports of about 13 employees. It's a subcomponent of the larger amount of ensuring rules-based and responsible trade. You'll see that there's a $191-million figure over five years. Global Affairs Canada leads to a broader initiative on softwood lumber, but we provide analytical support to that.

Mr. Pat Kelly: I'm looking right at table A2.11: $16,050,000; $11 million for protecting jobs in eastern Canada's forestry sector; $2.46 million for ensuring rules-based responsible trade; $2.2 million for ensuring security and prosperity in the digital age; $390,000 for protecting Canada's nature, parks, and wild spaces.

I just want to know how much has gone through the Treasury Board submission process, and what hasn't. Do you know the answer to that question?

Mr. John Kozij: My understanding is the $12.3 million for our softwood lumbar secretariat has passed the Treasury Board process.

Mr. Brian Pagan: That $12.3 million probably is the funding over the duration of the project. What you're seeing in the annex is the requirements for this year, for 2018-19.

Mr. Pat Kelly: I have Treasury Board and the department officials here, and I can't get an answer on—

Mr. Brian Pagan: I just provided you the answer.

Mr. Pat Kelly: —how much of the $16,050,000 is on—

Mr. Brian Pagan: A single initiative, ensuring rules-based and responsible trade.... It's the first two items: protecting jobs in eastern Canada's forestry sector and ensuring rules-based and responsible trade. Those two initiatives have been through the TB process.

● (1145)

Mr. Pat Kelly: Thank you.

For Mr. Thompson at Industry, I have the same question. How much of your department has gone through the Treasury Board process?

Mr. Philippe Thompson (Assistant Deputy Minister, Corporate Management Sector, Department of Industry): The Department of Industry had 11 initiatives under budget 2018, and of those only one has accessed the Treasury Board process. It's the initiative improving access to the digital economy. It's known as "computers for schools", and the amount is for $5.4 million.

Mr. Pat Kelly: It says $4.6 million. I'm talking about vote 40 in the annex.

Mr. Philippe Thompson: In vote 40, it's improving access to the digital economy, and the funding approved by Treasury Board is $5.4 million.

Mr. Pat Kelly: That's greater than the amount listed in the vote that we haven't voted on yet.

Mr. Brian Pagan: The initiative, as Mr. Thompson said, is $5.4 million: $5.286 million is the cash required to deliver the program, and then there is an amount that is held back because that's for the employee benefit plan of $113,000 for employee benefit costs, for a total of $5.4 million this fiscal year.

The Chair: Thank you, Mr. Kelly, we're out of time, but you will have much more time to ask questions as we develop along the route.

Mr. Massé, welcome to our committee. You have five minutes, sir.

[*Translation*]

Mr. Rémi Massé (Avignon—La Mitis—Matane—Matapédia, Lib.): Thank you, Mr. Chair.

It is a privilege and an honour to be here.

As a former federal public servant, I can tell you that when the President of the Treasury Board announced the new approach, many people welcomed it. It will provide much greater predictability for the initiatives submitted for approval and included in the budget.

Knowing at the start of April that the funds would be available to carry out these initiatives was great news. I sincerely applaud this change. It allows us to bring these initiatives forward. They are important initiatives in various regions of Canada.

I would like the Treasury Board officials to explain something about the table provided by the Library of Parliament, table 2. Of the $7 billion, the remaining funds total about $5.2 billion.

Can you tell me the process for accessing those funds?

We know that funds were already allocated on April 16 and June 5, and I assume further funds will be allocated. Please explain the process for accessing the remaining funds.

Mr. Brian Pagan: Thank you for your question, Mr. Massé.

The work we do with the departments to implement the projects announced in Budget 2018 is essential. Our system has two stages.

First, in the budget, the government set out priorities for the coming year.

Second, at Treasury Board, we work closely with the departments to develop ways to implement the programs in order to resolve issues relating to staff, jobs, results, and indicators. We have to make sure the programs unfold properly. In some cases, it can take weeks, months or even years to finalize the terms of the projects.

[*English*]

It's a question, Mr. Massé, that varies by initiative and by department. There can be initiatives that are inherently complex because they're dealing with other jurisdictions, whether it's aboriginals, provinces, or even other governments. It is important that the department responsible for the initiative work closely with its partners to identify the results to be achieved, and the resources to be utilized in pursuit of those resources, so that when they bring an item to Treasury Board, they can answer all of our questions about how many FTEs and where the initiative will be directed from: is it Ottawa or the regions?

● (1150)

[*Translation*]

It takes time to finalize all these matters. The department cannot submit the project to Treasury Board until all the elements have been decided upon.

Mr. Rémi Massé: I understand that process well. In the past, the sequence for the departments was as follows: Supplementary Estimates (A) in May, then Supplementary Estimates (B), and finally Supplementary Estimates (C), which were tabled in January or February.

I would like to know if the same process will apply to access the remaining funds, that is, the $5.2 billion.

Once the projects under the $7 billion have been approved, will there be a simple administrative mechanism between the departments and Treasury Board Secretariat to access the $5.2 billion?

[*English*]

The Chair: I'm afraid, Mr. Pagan, you may have an opportunity, but not quite yet, to answer that question.

We're going to the final intervention in this round.

Colleagues, following that, I will suspend for just a few moments while the next group of panellists and witnesses come to the table.

Mr. Blaikie, you have three minutes.

Mr. Daniel Blaikie: Thank you very much.

I want to ask you, Mr. Scott-Douglas, from the National Research Council, about an allocation in the update from June for just about $53 million for the National Research Council, under the rubric, "Convert Sunsetting Funding into Permanent Funding".

I know that's not mentioned as an item in the departmental plan, although there is some time spent in the departmental plan explaining that a number of apparent funding reductions are the result of programs sunsetting.

I'm wondering if the goal of this money is to prevent that lag of not knowing what's going to be approved or not approved. How does having the money meant to stop the sunsetting, in a central vote that lapses at the end of the year and which would then have to be reapproved next year as well, address the issue of sunsetting for the National Research Council?

Mr. Roger Scott-Douglas (Secretary General, National Research Council of Canada): Thank you for the question.

The $52.4 million, once you add the EBP, is about $59.6 million. That funding will be ongoing. It has, until now, been sunsetting funding. Indeed, it started in about 2000, and it's been renewed by the government at Treasury Board eight times since then. In this budget and going forward, it will be ongoing.

Mr. Daniel Blaikie: The authority here is only for this fiscal year, and we've just heard that it will lapse at the end of the year. How is it we can end a sunset provision with a vote that ends at the end of the year?

Wouldn't it make more sense to incorporate this money into your regular departmental estimates so that it can be part of a regular vote, or could government not seek statutory authority in order to have that become statutorily allocated money as opposed to having it come back to Parliament for a vote every year?

Mr. Roger Scott-Douglas: I think Mr. Pagan is going to answer that.

Mr. Brian Pagan: That's exactly what's going to happen. The department is accessing the funding this year through the central vote, and in future years, because it's permanent funding, it will be part of the department's main estimates and will be reflected in the departmental plans automatically.

Mr. Daniel Blaikie: Okay. You can appreciate the conceptual tension in allocating funds to sunsetting within a one-year vote, right?

Mr. Brian Pagan: For most of the initiatives in this table, there are tails in future years, so all you're seeing are the estimates authorities for this year.

Mr. Daniel Blaikie: Yes.

Mr. Brian Pagan: The amounts will be reflected in the main estimates in the proper votes for next year.

Mr. Daniel Blaikie: For the Department of Industry for the item —

The Chair: I do have to interrupt you there. You will have an opportunity in a few moments to continue your line of questioning.

Colleagues, I'm going to suspend for a few moments now. The Treasury Board officials will, of course, stay at the table while we reset with our next round of panellists.

● (1155)

(Pause)

● (1155)

The Chair: We will reconvene the meeting now.

Colleagues, I have some information for all of you. We will have to deal with the main estimates for the Treasury Board Secretariat at the conclusion of this meeting, so I'll be suspending this meeting probably around 12:50. We can discuss vote 40 at that time.

In the interim, we will have a group of witnesses who are with us again today. To reiterate, we have representatives from the Canadian Food Inspection Agency, the Department of the Environment, the Department of Fisheries and Oceans, the Department of Foreign Affairs, Trade and Development, the Department of Indigenous Services Canada, and the Office of the Commissioner for Federal Judicial Affairs.

As always, we have Mr. Pagan and his officials with us as well.

Once again, we'll continue with our round of questioning, starting with a seven-minute round.

Mr. Peterson, you are first up.

● (1200)

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Thank you, Mr. Chair.

I appreciate everyone being here. We have 13 or 14 departments and ministries represented at today's meeting, so it's nice to see the accessibility we're being granted as parliamentarians as we are considering voting on vote 40.

Before I get into some detailed questions about some of the department budgeting and funding, one of my colleagues earlier alluded to the debt of a province here. The estimates and the budgeting process really have no impact on the deficit or surplus. Is that correct? Isn't that more of a policy set by the government? The process we're going through today would have no impact, I think, on the deficit or surplus of a current year, would it?

Mr. Brian Pagan: Thank you, Mr. Peterson.

When our colleagues in the Department of Finance are setting a budget for any particular year, they look at the widest possible frame to develop their fiscal policy. They will approach a consideration of budget requests with an understanding of how decisions are going to change or impact the fiscal situation of the government. In budget 2018, the deficit and debt projections include the initiatives that are identified in the budget. Our deliberations here today have no impact on those numbers because they have already been taken into consideration by the Department of Finance at the time of setting the budget.

Mr. Kyle Peterson: Great, that's what I thought too. I was just curious why anyone would raise that issue. I guess they were confused.

I'm going to the department spending.

Ms. Jordan, in budget 2018, of the $7 billion that we're talking about in vote 40, there's $21 million for the Canadian Food Inspection Agency. Can you elaborate on what some of that is, or where that funding is going and why it is necessary?

Ms. Barbara Jordan (Vice-President, Policy and Programs Branch, Canadian Food Inspection Agency): We have two initiatives that are being continued. These are initiatives that were sunsetting at the end of 2017-18. One is regarding securing market access for Canadian agriculture and seafood products. Under that initiative, we have a number of FTEs responsible for advancing and resolving market access issues. We also have some funding in there to participate in the negotiation of free trade agreements. We are participating in international standards setting with the IPPC codex and the OIE. In our animal health and plant, health and food safety international standard setting bodies, we are represented there to ensure that Canada's interests are pursued.

Some of the funding is also for improving food safety. We're very active there in terms of assessing risks, so that we can adjust our programming going forward, to produce risk profiles and adjust our program based on our changing risk landscape. We are also adjusting our inspection activities based on data that we are gathering on risk in individual establishments. We are undertaking offshore prevention activities. We are sending missions abroad so that they can assess foreign food safety systems and also share best practices with some of our trading partners.

The last item in terms of improving food safety is undertaking a lot of activity so we can promote compliance with our food safety regulations. We have new regulations coming on stream in the very near future. We want to ensure that we have the highest degree of compliance with our new food safety regulations.

● (1205)

Mr. Kyle Peterson: When you say "promote compliance", would that be reaching out to stakeholders, educating them, and informing them of new procedures?

Ms. Barbara Jordan: We are reaching out to stakeholders. We are producing a lot of plain language materials and online tools that stakeholders will have access to. We have set up a database of information for our stakeholders. We have rolled out a service called Ask CFIA, so that stakeholders can call in and ask questions and be well-informed of the new regulations.

Mr. Kyle Peterson: As Canadians enter new free trade agreements and market access—you said some of the funding is for market access—how do you build in contingencies when you're doing the budget, while not necessarily knowing when certain agreements are going to come into force, and things of that nature?

Ms. Barbara Jordan: On market access issues, once free trade agreements are signed, a process kicks in so that we can work with individual countries and negotiate terms for trading plant products, and animal health and food products. We work with stakeholders and set priorities for market access issues, and assess which markets are most important to our stakeholders. The priority-setting process is an annual process. Then we work through the market access issues in concert with our regulated parties.

Mr. Kyle Peterson: Thank you.

I appreciate your answer. Thank you for that.

How much time do I have, Mr. Chair?

The Chair: You have one minute.

Mr. Kyle Peterson: I'm going to move to the Department of the Environment. Ms. Fernando is with us.

Again, the amount of your budget funding under vote 40 is close to $72 million. Can you elaborate on what a lot of that is going to and essentially why we parliamentarians should approve it?

Ms. Dilhari Fernando (Director General, Policy, Planning and Partnerships Directorate, Meteorological Service of Canada, Department of the Environment): To be precise, I believe there are three different elements of vote 40. I can really only speak to one element, and that is with regard to weather and water services, which is really about modernizing Canada's weather forecasting system, improving the backbone to how we forecast weather and how we disseminate weather, and ensuring that Canadians have access to the best possible products, that is, the most precise and accurate information with the most lead times in terms of weather forecasting.

The Chair: Thank you very much.

Mr. Kelly, you have seven minutes, please.

Mr. Pat Kelly: Thank you, Mr. Chair.

It was entertaining to hear Mr. Peterson continue to defend the fiscal governance model of the Government of Ontario less than a week after that government was completely run out of—not quite completely, but down to seven seats, I guess. The point, I think, is that fiscal governance and overall fiscal health of a polity are indeed interconnected.

We had testimony in previous panels about how items that had gone through the Treasury Board Secretariat process since the table was prepared for us have exceeded the amounts in the table that we haven't even voted on yet. I would submit that governance models do count, and they do affect overall fiscal health.

I'll go to the departments we have here. We heard again on May 22 that most vote 40 items had not gone through the Treasury Board submission, but we have been told that they are continuing to work through and that this is an ongoing process, so now we have a variety of departments here, and I'd like to ask some of the individuals from different departments which of their items have been through the Treasury Board process now.

I'll start with Ms. Jordan and the Canadian Food Inspection Agency.

Of your $22.5 million under vote 40, how much of that has been vetted through Treasury Board now?

Ms. Barbara Jordan: It has been vetted through Treasury Board.

Mr. Pat Kelly: Are they in your departmental plans now? Have there been updates to your departmental plans to include those funds?

Ms. Barbara Jordan: I'd have to double-check that for you.

Mr. Pat Kelly: The Department of the Environment, Ms. Fernando.

Mr. Brian Pagan: Mr. Kelly, on that point, the departmental plans are tabled once a year, and so they would not be re-tabled. That is consistent with how we have done budget items in the past when items are brought forward in supplementaries (A), (B), and (C) without having been in the departmental plans.

Now that it is approved, it will be reflected in the main estimates next year for the CFIA, and it will be in their departmental plans next year.

Mr. Pat Kelly: Thank you.

Ms. Fernando, $71 million for the Department of the Environment.

Ms. Dilhari Fernando: Of that, to my knowledge, the only piece that has been approved by Treasury Board is the revitalization of Canada's weather services.

● (1210)

Mr. Pat Kelly: Is that the item that has been vetted?

Ms. Dilhari Fernando: Yes, it has.

Mr. Pat Kelly: And the other items have not?

Ms. Dilhari Fernando: The other items are in the process of being developed for Treasury Board consideration.

Mr. Pat Kelly: They're in the process of being developed even as we are asked to vote on the money?

Mr. Brian Pagan: Again, this is consistent with our intention of providing parliamentarians, for your benefit, a forward-looking view of the requirements of departments so that you can hold the government to account for those items.

In the case of Environment, there are three initiatives, one of which has been approved. You can inquire as to the aspirations of the other two initiatives. They have not yet been approved, but we can provide an indication of what the government expects to achieve with—

Mr. Pat Kelly: I understand the intention. I understand and heard you earlier on the point of Parliament having passed the budget, but the Constitution requires that we approve the estimates. The fact that we've just approved the budget does not constitute sufficient grounds to simply agree that a vote like vote 40, where items under development that have not yet gone to Treasury Board and are not ready to go to Treasury Board for their funds, ought to be simply be pre-approved by parliamentarians.

I'm interested, since we have different department officials here, to get a sense from at least the departments that we were fortunately able to get today—and I'm pleased that we have a good turnout—of how far along we are on going through the proper financial management processes that we have for money that is going to be put to a vote by parliamentarians.

I'll move to Fisheries and Oceans and Mr. Morel.

Mr. Philippe Morel (Assistant Deputy Minister, Aquatic Ecosystems Sector, Department of Fisheries and Oceans): Out of the $519 million from budget 2018, there is $22 million for sustainable aquaculture that was approved by Treasury Board, and we're finalizing the small craft harbour allocation. It's not final yet.

Mr. Pat Kelly: Okay, say that again. You have $216 million in vote 40, and the item that has been vetted through Treasury Board is which item?

Mr. Philippe Morel: It's the sustainable aquaculture program.

Mr. Pat Kelly: It's the sustainable aquaculture program. Okay. How much?

Mr. Philippe Morel: That's $21.6 million over two years.

Mr. Pat Kelly: That's over two years. Okay.

The Chair: Mr. Pagan.

Mr. Brian Pagan: It's an important point, because you suggested earlier that we've allocated more than is indicated in the annex, and that is not the case. What you're seeing in the annex is the single year profile for 2018-19.

Many of these initiatives are funded over two, three, four, and five years. What Treasury Board does is approve the initiative once for all the years and what you're seeing is—

Mr. Pat Kelly: This is an important answer to these questions to clarify this.

Mr. Brian Pagan: I'm happy to provide that clarification. Just to be clear, there is not an area where we have allocated more funds this year than what is indicated in the annex.

Mr. Pat Kelly: Okay. On Fisheries and Oceans, then, we have one of the items of the $216 million that has been approved.

Very quickly, maybe, on the Department of Foreign Affairs, I want to ask about this "Ensuring Security and Prosperity in the Digital Age" item. We saw this as a common thread through a variety of departments, including a couple of the departments that were here in the previous panel.

This is part of the problem that some of us have with the way the information is presented to us. Ensuring security and prosperity in the digital age is surely a worthy undertaking. Who wouldn't agree that we should ensure security and prosperity in the digital age, but it's not really much of a description of what the money is actually spent on. Could you let us know if that item is one that has now been through Treasury Board and, if so, exactly what those funds are going to be spent on?

The Chair: Mr. Kelly, as I'm fond of saying on occasion, the amount of time allocated for questions is both for the question and for the answer. Since we've run out of time, we'll have to go to our next intervenor, Mr. Blaikie, for seven minutes.

Mr. Daniel Blaikie: Thank you very much.

I want to start by reassuring Mr. Drouin that one of the reasons this hasn't come up in Ontario is that, notwithstanding the fact that it's pointed to as an example of what the government here would like to do, there is no central budget implementation vote in Ontario. If you'd like to refer to the various votes that are posted online, I'd be happy to share that URL. As much as they do coordinate between Finance and their Treasury Board, they didn't opt for one kind of omnibus vote as the way to bring about that alignment.

It seems to me—and you let me know if you think I'm being unfair, Mr. Pagan—that the job of Treasury Board is to provide accountability, and they do that through their challenge function. When departments come to them and say, "Hey, this is more or less what we want to do and this is how we plan to do it", Treasury Board pushes back, asks if they've thought about this or about that, says that there might be a better way, and asks if they have tried this or thought about that.... That's where the accountability lies. Is that a pretty fair assessment of how Treasury Board works?

● (1215)

Mr. Brian Pagan: The Treasury Board process is very much designed to ensure accountability for the funds allocated, so there is a very rigorous due diligence process whereby we seek to understand the modalities of program implementation, the partners you're working with—

Mr. Daniel Blaikie: Departments likely perform better, I think, as a result of that challenge, right? It helps them. It's important to their internal process, and it provides a meaningful accountability after the fact, because they demonstrate what they're committed to.

Now, when it comes to Parliament, you said that Parliament should be satisfied with getting information about how departments spend money after the fact and that it doesn't inhibit the accountability function of Parliament in any way. What if departments were to come to Treasury Board and say that it should approve the money up front, and they'll go away, prepare a plan, and let them know how they spent the money after they've spent it, but not to worry, they'll give lots of detail...?

Do you think Treasury Board could do its accountability function if it only got information retrospectively or do you think it's part and parcel of the notion of accountability that some of that work be done beforehand, and that the person meant to hold someone accountable for funding has an obligation to ask questions and evaluate the answers—which presumes the answers exist—prior to granting that approval?

Mr. Brian Pagan: To be clear, Mr. Blaikie, what I said is that the purpose of the estimates is to provide information so that parliamentarians can hold the government to account. Parliament does not approve individual projects the way that the Treasury Board does.

Mr. Daniel Blaikie: But surely, Mr. Pagan.... We're talking about $54 million to the Canada Boarder Services Agency under these estimates—well, under vote 40. It's considerably more under their estimates, but under vote 40.

Do you think it doesn't matter to parliamentarians whether that money is going to be used to hire more staff, buy more guns, or build a wall?

Mr. Brian Pagan: I think those are very important questions, and parliamentarians now have the ability to ask the department involved just how they propose—

Mr. Daniel Blaikie: Do you think it's satisfactory that we would get that information after the money is already spent?

Mr. Brian Pagan: Well, in fact, the estimates process is very much built around that fundamental architecture.

Mr. Daniel Blaikie: Does the leverage for Treasury Board and other departments not come from the fact that Treasury Board can withhold approval if they don't like the details of a program?

Mr. Brian Pagan: I believe there is definitely value to departments and to the public service by Treasury Board exercising—

Mr. Daniel Blaikie: Then, why should Parliament be expected to hold the government to account without similar leverage? Is not the purpose of government voting on these funds the fact that.... We're in a majority government right now, so granted it's unlikely that this Parliament would refuse this government those funds. It may happen; it could happen, if you have a good process. It doesn't mean it will happen.

However, in other situations where the government doesn't have a majority, presumably this kind of information would be very valuable to parliamentarians who do have the opportunity to deny certain funding to government.

Mr. Brian Pagan: Mr. Blaikie, I take the point. I understand your concern, but what you're talking about goes to the heart of responsible government, the fact that the executive takes decisions to deliver programs and services to Canadians, and Parliament's role is to hold the government to account for that.

By definition, by nature, the decisions are taken by the executive, and they are necessarily provided to Parliament after—

Mr. Daniel Blaikie: Under the system of responsible government, the government has an obligation to make the case for Parliament that what they're planning to do with taxpayers' money makes sense. On the basis of those answers, Parliament either approves or rejects proposals for funding. That's why government comes to Parliament to ask for the money.

On your notion of accountability, the picture you're painting is that somehow Parliament is meant to hold government to account without any leverage, and that it's immaterial to parliamentary accountability how it is that government intends to implement a high-level goal.

If the high-level goal is supporting the Canada Border Services Agency, there are a number of ways you could do that, and it makes perfect sense that Parliament might approve some ways and not approve other ways. The point about vote 40 is that we're now being asked to approve that funding without knowing the way in which the government intends to pursue that high-level goal.

Do you not agree there's a problem in the basic notion of accountability that represents?

● (1220)

Mr. Brian Pagan: Respectfully, Mr. Blaikie, I would disagree.

Mr. Daniel Blaikie: You would not adopt that model of accountability for Treasury Board. You would not say that it is adequate for Treasury Board to be told retrospectively by departments, after the money was spent, what they did with it, and that Treasury Board could somehow do its accountability function after the fact because then they could have a nice conversation with them about how poorly they did, instead of having the conversation in advance, saying, "Whoa, where you're going doesn't make sense. Put the brakes on. You can't have the money until you come back with a better answer."

Respectfully, there is a role of Parliament to do that.

Mr. Brian Pagan: Mr. Blaikie, if—

Mr. Daniel Blaikie: Parliament isn't here just to sign a blank cheque to the government and then criticize them after the fact. If Parliament is going to be a meaningful place, it's a place where parliamentarians should get answers from government on what they plan to do with the money, before the approval is granted. That actually means that some of this conversation can benefit the development of those programs and where they go.

I take your point that we don't need to be involved in the minutiae of the delivery details, but if our accountability is to make any sense at all, it can't be the case that it's only retroactive, because we can't take the money back after the fact. Once it's spent, it's spent. Treasury Board can't take the money back after the fact, which is why Treasury Board would never accept the proposition that somehow it could do its accountability function only retroactively.

The Chair: Mr. Pagan, I know you would like to make a response. I'm quite confident that you'll have that opportunity with one of the government's questions for you, but we are now going to Mr. Ayoub.

[*Translation*]

Mr. Ayoub, you have seven minutes.

Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.): Thank you, Mr. Chair.

It is always interesting to see how the opposition reacts to the way a government operates, especially in the presence of officials who are doing exactly what a government is supposed to do and are operating the way a government is supposed to operate.

A government must be accountable. So you have to ask questions about specific topics and not about processes that you are not happy with. In any case, regardless of how the government goes about it, you would not be happy, whether you are from the department or the opposition.

Since I want to make the most of my seven minutes, I will ask about how the funds are spent.

My question is for Mr. Thoppil, from Indigenous Services Canada.

I would like some information about the 1 billion dollars indicated in Budget 2018. For Indigenous Services Canada, $91 million was allocated on April 16, 2018, and $109 million was just allocated in June 2018. That leaves $832 million for that department.

How much will be allocated to give members of the first nations access to drinking water? Drinking water is a given in the big cities and developed areas, but that is not the case everywhere in Canada. The Prime Minister and the government have made a clear and specific commitment to Canadians to restore this service to the first nations.

I would like more information about what has been done in this regard.

Mr. Paul Thoppil (Chief Finances, Results and Delivery Officer, Department of Indigenous Services Canada): Thank you, Mr. Ayoub.

It is true that the policy on drinking water is very important to the government.

Roughly $100 million will be invested in the plan to eliminate the problem of communities that do not have long-term access to drinking water.

● (1225)

[*English*]

Currently, as of early May, there are 75 or 76 communities across the country with long-term drinking water boil advisories, and the intention of the government is to eliminate those 76 within a few years. There is a challenge, because there are a number of communities that are hovering into moving into long-term status due to long-term underfunding of water management on reserve.

While the government has essentially eliminated about 62 long-term boil advisories since November 2015, at the same time there are another 30 that have actually achieved that status. The money that is allocated in budget 2018, in addition to those monies that have been provided through the previous budgets, is essentially to ensure that not only are the 76 eliminated but that the number of communities that are on the cusp of moving into long-term are prevented from doing so.

Mr. Ramez Ayoub: Is there a planned date when everything would be met, so no first nation would have to look for clean water anymore? Is there a target date?

Mr. Paul Thoppil: I believe the Minister of Indigenous Services has been very clear, as of January, in her public announcement that she is trying to eliminate all long-term boil water advisories on reserve in five years. This money will ensure that, in fact.... While there is a plan, this money is in effect a contingency plan to accelerate that by a year earlier.

She also expanded, in January, the scope of the definition of what determines a long-term boil advisory from a public system. She expanded the scope of the definition of a public system on reserve, but notwithstanding that expansion of scope, we are still on track to meet that five-year goal.

[*Translation*]

Mr. Ramez Ayoub: Okay, thank you.

On the same front, there is a first nations housing plan. It is not a universal approach, as there are a number of differences. Many communities have different living conditions and different needs.

What approach could be taken to address these different living conditions? What funding has been allocated to this approach as opposed to the first nations housing strategy?

Mr. Paul Thoppil: Are you talking about housing or water?

Mr. Ramez Ayoub: This time I am referring to housing. You provided good answers to my questions about water.

What about housing?

Mr. Paul Thoppil: In terms of housing, it is true that living conditions vary from community to community. It depends on the community's capacity.

Mr. Ramez Ayoub: What do you mean by "capacity"?

[*English*]

Mr. Paul Thoppil: If there is a technical capacity within the community to manage a home subdivision, because it isn't just installing a house. If you create a subdivision, you also have to create roads, sewers, lighting. You have to clear the lot. There are a whole bunch of different elements before you can get the house onto the lot. The building of the house is the final step in the creation of a home subdivision.

Obviously, we have 630-odd communities across this country, and there are various levels of capacity. We have those that are very strong, which have significant own-source revenues to supplement their parliamentary appropriations, and therefore, they have the capacity to create a number of home subdivisions. Others are very low capacity, and maybe we can only do one or two, based on their capacity to deliver.

[*Translation*]

It is one of the criteria.

[*English*]

The Chair: We'll go to five-minute rounds, starting with Mr. McCauley.

Mr. Kelly McCauley: Ms. Santiago, the "withheld" on the sources and uses is about $600 million. Is that all employee benefits, etc., that Mr. Pagan was referring to?

Ms. Marcia Santiago: No, it isn't.

I'd like to back up quickly. I believe at the last appearance at this committee of the Parliamentary Budget Officer there was a comment on the lack of control and the lack of specificity in the language of vote 40.

Mr. Kelly McCauley: What would make up the other money in the $600 million?

Ms. Marcia Santiago: Most of that $592 million are the amounts at the bottom of annex 1 that are associated with allocations to be determined, and the net adjustment on a 2018-19 estimates basis. The reason we've frozen them and shown them as withheld is that, in response to the Parliamentary Budget Officer's comments, we will be introducing more specific wording into the supply bill along the lines of what the president mentioned in his last appearance here.

That means we're going to be in a place where we have to refer very specifically to combinations of departments, measures, and amounts, and because in these cases, with the allocations to be determined and with the net adjustment, no departments are specified, and with the net adjustment there aren't measures either, we can't allocate that cash from vote 40. That's why we're showing it as withheld; it's never going to leave vote 40.

● (1230)

Mr. Kelly McCauley: Ms. Fernando, there are three items in vote 40. There is some $52 million for protecting parks. There's another item for protecting marine life. Can you briefly walk us through what you're hoping to achieve with that money?

Ms. Dilhari Fernando: Absolutely. The first piece, protecting nature, is creating a fund, and the federal portion of that fund is contained in that amount you see there. The fund is to be partnered with NGOs and provinces and territories to purchase land and carry out conservation activities on that land. Part of that money is also to increase the federal capacity for protecting species at risk, and for implementing the Species at Risk Act.

Mr. Kelly McCauley: What about the other two items?

Ms. Dilhari Fernando: The second item is with regard to weather and water services, two different items. The first piece relates to modernization of Environment Canada's ability to forecast and disseminate information on weather. The second piece relates to hydrological services, which is a partner program we carry out with the provinces and territories, and the ability to rebuild a lot of the infrastructure that is rusting, particularly in western Canada.

Mr. Kelly McCauley: You seem to be well aware of what the money is for. Can you tell me why it didn't make it into the departmental plans, and why it wouldn't be put in your main estimates?

Ms. Dilhari Fernando: I think Mr. Pagan can address that, but—

Mr. Kelly McCauley: No, I'm asking you.

Ms. Dilhari Fernando: My understanding is that due to the process we have to undertake, which requires cabinet approval for the policy authority and then Treasury Board approval for the spending and the other authorities, some of these elements have already been through the Treasury Board approval process and others have not.

Mr. Kelly McCauley: What makes these three items different from the other items in your main estimates?

Ms. Dilhari Fernando: Some have been approved by Treasury Board and some have not.

Mr. Kelly McCauley: That's bizarre.

Ms. Jordan, you mentioned that much of your funding is sunsetting funding. Is that correct?

Ms. Barbara Jordan: Yes.

Mr. Kelly McCauley: If it's sunsetting funding, I assume you have all of the backup. You know what the money is going to be spent on, etc. Why is that money not in your estimates, and why is it not in your departmental plans if, as you were mentioning, it's sunsetting money going back to 2000? We know what the money is going for. We know what your planned results are. I'm curious about why it's not showing in your departmental plans. Why is vote 40 not in your estimates as it has been other years? We have all the information.

Ms. Barbara Jordan: The funding is sunsetting; therefore, we are not planning. We have to go through an approval process before we can plan for that money.

We have just gone through the approval process, and that will be reflected in our main estimates going forward.

Mr. Kelly McCauley: But it's not in your departmental plans. What I'm getting at is that you knew what the money was for. A lot of the departments have shown up saying, "We don't know what the money is for. Ask Treasury Board." Others have told us, "It's preposterous to expect to know what the money is for until you pre-approve it."

You know what the money is for. You've used it every year. My question is, why is it not in your departmental plans to show what the results are going to be for that money?

Ms. Barbara Jordan: We will put it in the plan once we have the approval. There's a timing issue at play here—

Mr. Kelly McCauley: We've heard the plans have already been issued, so the plans are closed for this year.

Ms. Barbara Jordan: Yes. It's a timing issue with the approval and the winding up of the plan. That timing did not work out. Next year it will be in our plan. It will be reflected.

The Chair: We'll go to Monsieur Massé.

[*Translation*]

Mr. Rémi Massé: Thank you, Mr. Chair.

I said earlier that I think it is important to be able to coordinate the measures set out in the budget to ensure that these projects can proceed very quickly, rather than waiting for the supplementary estimates to be approved. Otherwise, initiatives can be delayed for up to eight, nine or 10 months.

I asked Mr. Pagan a question earlier and I would like him to answer, but first I have a question for Mr. Morel, from Fisheries and Oceans.

Mr. Morel, in the report that was tabled, I see that $150 million is allocated to small craft harbours. This is an important initiative.

I will play politics, and I am happy to do so. For about 10 years, our small craft harbours were neglected. We have several of them in the Lower St. Lawrence and the Gaspé.

As a result of this neglect, some ports have deteriorated. It was a struggle and a lot of money had to be invested. I am thinking in particular of the dock in Carleton-sur-Mer. We have finally settled this matter. The harbour will be rebuilt. This is a very important initiative. When we talked to the minister, we told him how important this was and that many harbours still have to be renewed. From my understanding, this $150 million is the first chunk of the $250 million that will be allocated to modernize small craft harbours.

As to the process that Mr. Pagan described, I also understand that you have had access to these funds since the start of April—if you could confirm that—to invest in the modernization of the small craft harbours in question.

Is that correct?

● (1235)

Mr. Philippe Morel: Yes, that is correct.

There are more than 1,000 small craft harbours in Canada. About 700 of them serve the fishing industry, and the remaining 300 are subject to divestiture. The department is looking for partners to whom it can transfer the ports in the short term. The $150 million this year and the $100 million next year will support the restoration of these harbours or their divestiture.

On the other hand, while the funding has been allocated, there are certain conditions attached to it. In particular, we have to provide a list of projects. Since the budget was passed, the staff at small craft harbours have been planning in accordance with priorities, their needs related to harbour quality, and the needs of the fishing industry to support its activities.

So there is no money for work or contracts submitted since the budget. We are waiting for confirmation of the list of projects and for information about Treasury Board's process.

Mr. Rémi Massé: Can you tell me a bit about how the process works, administratively speaking? You made a submission to Treasury Board to access those funds.

Has the submission been fully approved or do you have to wait for an additional approval process to be completed before you can access those funds?

Mr. Philippe Morel: There have been discussions of an administrative nature with Treasury Board, but the submission has not yet been approved. We are awaiting final approvals and approval of all the projects. This is not a regular program, but an investment in ports. We are waiting for the list to be finalized. Once it has been, we will begin the contracting process and project management.

Mr. Rémi Massé: That helps me understand the process. Once Treasury Board has approved the submission for that $150 million, the department will not have to go through the process again. You will be able to proceed with the project in question. Treasury Board officials will of course have to work with you to make sure all the projects are proceeding well, to provide more information to you about the allocation of funds, and so forth.

Mr. Brian Pagan: That's right. Once the submission has been approved, the department can proceed with the project.

[*English*]

It's a very important point, Mr. Massé. We have provided to parliamentarians a full list of the measures to be implemented. Upon approval those measures will be reflected in subsequent departmental plans, and the department will have all the authorities they need to move forward with implementation. If we didn't have this central vote, then we would be forcing departments to wait until the next supplementary estimates, which are scheduled for the fall, and they wouldn't get approval from Parliament until December. This is a question of balancing timely service to Canadians and moving forward with the priorities of government with Parliament's right to know. This is not a blank cheque. This is a mechanism by which parliamentarians can hold the government to account for the priorities identified in the budget.

Mr. Rémi Massé: Thank you very much.

The Chair: Mr. McCauley, go ahead for five minutes, please.

Mr. Kelly McCauley: Mr. Pagan, you mentioned this process. Let me quote you here. You said that's what the government "expects to achieve" from the vote 40 money and that we would have the opportunity to ask the departments involved. Now, we have asked. We asked PCO about the money, and they said, "Well, ask Treasury Board". When we asked PSPC about the money, they said they hadn't developed the plans, and this is when I was told I was being preposterous to ask what the money was going to be used for before Parliament approved it.

I'm having trouble reconciling your comments that under this vote 40, we have the ability to hold the government to account and to ask the department what the money is going to be used for, as well as what the government plans to achieve for this money, because not one penny of this $7.4 billion is in the departmental plans. There's not one penny showing what we're going to achieve for this. Again I'm having trouble reconciling your defence, for lack of a better word, of vote 40 when we have the ability to ask but we don't have the ability to get answers.

● (1240)

Mr. Brian Pagan: Thank you, Mr. McCauley. As you've heard today, in fact departments are in a position to provide answers. We just heard from Madam Fernando about what the Department of the Environment—

Mr. Kelly McCauley: Ms. Fernando, I'll give you points, because you've answered better than anybody else, but it's for a tiny amount. When I asked PSPC about two-thirds of $1 billion of taxpayers' money, I was told I was preposterous for daring to ask on taxpayers' behalf what the money was planned for because, I was told, I couldn't ask what it was for until it was approved.

Mr. Brian Pagan: In fact you can.

Mr. Kelly McCauley: This is the problem with vote 40.

Ms. Fernando has done a great job, and Ms. Jordan, and a couple of others have answered, but the majority haven't.

Mr. Brian Pagan: I would encourage you to invite the department back. The business of supply is an ongoing—

Mr. Kelly McCauley: We've attempted to and we been voted down by the committee here.

Mr. Brian Pagan: I'm certain that the department would be able to answer your questions.

Mr. Kelly McCauley: I appreciate what you're saying. In a perfect world perhaps, but in our reality, vote 40 leaves a lot to be desired that way with regard to accountability and actually even getting questions. That backs up exactly what the parliamentary budget officer was saying.

Mr. Brian Pagan: Mr. McCauley, what we heard today is that departments are in fact in a position to respond to your questions. I would encourage you to have the department back to satisfy yourself of their priorities.

Mr. Kelly McCauley: We have answers for about $30 million out of $7.4 billion.

Let me ask you this. When the Parliamentary Budget Officer stated how this money would show up in the public accounts, he said that it would not show up detailed, that it would just show up as a lump-sum transfer. Do you agree with the PBO, or is he incorrect?

Mr. Brian Pagan: I'm not familiar with the particular exchange, Mr. McCauley, but with the Public Accounts—

Mr. Kelly McCauley: You should be. I asked you before.

Mr. Brian Pagan: —we'll itemize the expenditures by department by vote at year-end. If reference levels, if votes of department X or Y are increased over the course of a year, then their authorities increase —

Mr. Kelly McCauley: What I'm saying is—

Mr. Brian Pagan: —and the Public Accounts will reflect that.

Mr. Kelly McCauley: —that, of the $7.4 billion, not one penny will show up to taxpayers or Parliamentarians on the public accounts in detail, but will only show up as a lump sum transfer.

Mr. Brian Pagan: That's consistent with—

Mr. Kelly McCauley: They will be reflected by a vote.

The Chair: Could he finish his question, please.

Mr. Kelly McCauley: When we had your colleague here last week or two weeks ago, from InfoBase, an incredible program, he actually confirmed to us as well that it will only show up as a lump sum. We will not get any access to the detail.

Again, we've seen the departments come before us and we've seen in other committees where the minister is not able to answer. We've received here, in other meetings, not even an answer. We've heard from the PBO that not one penny will show up in the detailed Public Accounts, so taxpayers or parliamentarians can see where this pre-approved money is coming from.

Do you still believe that it provides better accountability for parliamentarians?

Mr. Brian Pagan: Absolutely, I do, Mr. McCauley.

Again, the structure of the Public Accounts is that Parliament controls by votes. Therefore, for every department at the table, they have votes for operating capital, Gs and Cs. The Public Accounts reconcile the authorities provided by Parliament and by those votes with the actual expenditures by those departments and by those votes. That's not a vote 40 construct. That is a construct of parliamentary control.

As you know, the president is interested in moving forward and looking at some alternative means of Parliament exercising its control.

Mr. Kelly McCauley: I'll give you points for defending the indefensible. I believe vote 40 is an affront to Parliament and I think we've seen enough from the PBO and from other witnesses that backs my commentary, but I give you points for trying to defend it. Thanks very much.

The Chair: Ms. Ratansi, you have five minutes.

Ms. Yasmin Ratansi: Thanks very much.

Mr. Thoppil, you may finish the answer to Mr. Ayoub's question if you want to, but don't take too long, as I have another question for you.

● (1245)

Mr. Paul Thoppil: Thank you very much. I'll be pleased to do so.

There is a gap of more than 80,000 housing units on reserve in this country. As a result, from budget 2016 onwards, there have been investments made in infrastructure, in order to deal with the infrastructure gap on reserve. To date, out of that more than 80,000 unit gap over the past couple of years, there is now 13,000 or more that have been addressed. Discussions are ongoing with the Assembly of First Nations and other first nation communities regarding housing reform, in terms of how we continue to address that gap and ensure that it is addressed in a sustainable way, so that it never comes back. That's essentially what's going on right now with regard to that infrastructure funding.

Ms. Yasmin Ratansi: In budget 2018 for the first time there is a specific funding included for the Métis nation. Can you explain how their needs differ from the first nations and the objective of this funding?

Mr. Paul Thoppil: Thank you for that question.

As you know, there are three main indigenous groups in this country, which are the first nations, the Inuit, and the Métis. Relative to non-indigenous Canadians, they all have a socio-economic gap. It's relative among the three. Based on the department's own research, the Métis are relatively better, as compared to the other two, but the government's commitment is to address the socio-economic gap for all indigenous communities.

You are correct that this is the first budget with a significant investment in the Métis space and it is to deal with a couple of main planks. Housing is where the most significant amount of money is to go. There is also money for post-secondary education. That is all part of a frame that is also going on between the Government of Canada and various Métis nations, in terms of advancing their agenda to move into a self-government status for their self-determination aspirations. This investment will help in those discussions to eventually give them the path that they are seeking, which is self-determination.

Ms. Yasmin Ratansi: Last, the Department of Indigenous Services Canada—I'm looking at table 2—has a budget funding in 2018 of $1.039 billion, out of which the funding withheld is $5.979 million and then the amount remaining, $832 million. What is this withheld for, and the $832 million, how is the tranche going to be flowed out?

Mr. Paul Thoppil: I think I'll ask my colleagues from the secretariat to respond to that.

Ms. Marcia Santiago: As Mr. Pagan explained earlier, most of the funding that's withheld—and in this particular case it's true—is for the portions of the program spending that will be flowed through other authorities. For example, employee benefits and pensions are paid out of a statutory authority, and then accommodation charges and technology charges are appropriated separately to Shared Services and to Public Works. We're showing in the table the full cost of those initiatives, but parts of those payments will be allocated differently.

The amount for about $2.8 million for renewing matrimonial real property was incorrectly reported earlier in the fiscal year as being allocated. In reviewing the decisions, we realized that this was one of the measures that was caught in the transition from the single department of aboriginal affairs to the two organizations. So in fact, the authority for matrimonial real property belongs to the other department. It will be supped in the fall or the winter.

Ms. Yasmin Ratansi: My final question is for Mr. Pagan. What's the risk of vote 40?

Mr. Brian Pagan: I'm sorry, did you say the risk?

Ms. Yasmin Ratansi: What's the risk of vote 40?

● (1250)

We're talking about accountability, transparency.

Mr. Brian Pagan: Yes.

Ms. Yasmin Ratansi: We're getting confused with different information. What's the risk?

Mr. Brian Pagan: Yes. There is no risk here.

The Chair: We're completely out of time.

We have one final three-minute intervention from Mr. Blaikie.

Mr. Daniel Blaikie: Mr. Barker from Foreign Affairs, Trade and Development, there's just under $30 million allocated now under Treasury Board vote 40, as of last week, under "Ensuring Rules-Based and Responsible Trade". In the budget there are two initiatives you mentioned under that rubric. The budget document talks about softwood lumber support, including legal fees, and it also talks about a Canadian ombudsperson for responsible enterprise.

How much of the $30 million is allocated to each of those initiatives, or are there other initiatives that the money is going to be spent on that we don't read about in the budget?

Mr. Colin Barker (Director, Softwood Lumber Division, Department of Foreign Affairs, Trade and Development): I'm happy to speak to the softwood lumber funding. That is the amount of $29 million. All of that funding goes to the support for the litigation of the ongoing softwood lumber dispute and also for the operations of our permitting regime for softwood lumber and logs. I'm not aware of the ombudsperson position, but I can get information on that and get it to you. The $29 million is dedicated to the softwood lumber file.

Mr. Daniel Blaikie: None of that is for the Canadian ombudsperson for responsible enterprise—

Mr. Colin Barker: Not that I'm aware of, no.

Mr. Daniel Blaikie: —as mentioned in the budget.

Mr. Colin Barker: No, I think there were different elements for Global Affairs, but $29 million was allocated to softwood lumber.

Mr. Daniel Blaikie: In the departmental plans for the Department of Indigenous Services, we don't read about...and these terms don't really appear in the budget. They appear, but just in tables in the departmental plans. These are the terms that we have allocations for. Regarding the Labrador Innu health programs, first nations health services accreditation program, clinical and client care program, and the e-health infrastructure program, if we're not getting a description of what those programs are in the budget and we don't get a description of what those programs are in the departmental plan, where can we get a description of what it is that those particular programs are meant to do and some sense of the reasons for the allocation of the amounts that are allocated?

Mr. Paul Thoppil: Thank you very much for the question.

The Chair: Give a very brief response please, sir.

Mr. Paul Thoppil: Those programs are ongoing. They were, for the most part, sunsettable, so they're being renewed. You should be able to find some information about that in previous departmental plans. When we're talking about a department with myriad varied programs with appropriations of $9 billion, it's hard to provide a level of detail on each program that will satisfy everybody, but we'd be happy to provide the level of detail to you in terms of each of those programs.

The Chair: Thank you.

To our witnesses, thank you all for being here today. You've been very informative and very helpful.

We will suspend, colleagues, for just a couple of moments and then we have some business to do. We will remain in public.

● (1250)

(Pause)

● (1255)

The Chair: We are remaining in public, but colleagues, we do have a little bit of business to do today, unfinished business, and that's dealing with reporting back on the main estimates. You may know that all other votes were deemed reported back on June 10, the deadline, but the main estimates for the Treasury Board Secretariat have to be done today.

Mr. Blaikie.

Mr. Daniel Blaikie: Thank you, Chair. I'd just ask that we break up vote 40 separately, to treat it on its own.

The Chair: We can certainly do that, but we have to go through the process. You'll have an opportunity. If we do not get unanimous consent, that's where we're headed.

My first question for all of you all is, do I have the unanimous consent of the committee to call all of the votes under the Treasury Board Secretariat on the main estimates 2018-19 together?

No? In that case, shall vote 1 under Treasury Board Secretariat, less the amount voted in the interim estimates, carry?

Mr. Kelly McCauley: I don't think it has to be unanimous to request—

The Chair: It has to be unanimous. We did not get unanimous consent so now we're doing them separately.

TREASURY BOARD SECRETARIAT

Vote 1—Program expenditures.....$233,305,792

Vote 5—Government Contingencies.....$750,000,000

Vote 10—Government-wide Initiatives.....$28,193,000

Vote 20—Public Service Insurance.....$2,398,905,397

Vote 25—Operating Budget Carry Forward.....$1,600,000,000

Vote 30—Paylist Requirements.....$600,000,000

Vote 35—Capital Budget Carry Forward.....$600,000,000

(Votes1, 5, 10, 20, 25, 30, and 35 agreed to on division)

TREASURY BOARD SECRETARIAT

Vote 40—Budget Implementation.....$7,040,392,000

The Chair: Shall vote 40 carry?

Mr. Daniel Blaikie: At this point, I'd like to move some of the reductions on which I served notice.

The Chair: You have the ability to do so, Mr. Blaikie.

Mr. Daniel Blaikie: Thank you very much, Mr. Chair.

For ease of reference, this is amendment 169. I move:

> That Vote 40 under the TREASURY BOARD SECRETARIAT in the amount of $7,040,392,000, as it appears on page II-260 of the Main Estimates 2018-19, be reduced by $745,000, as it appears on page A1–7 of the Main Estimates 2018-19 for A New Process for Federal Election Leaders' Debates under Privy Council Office, in addition to any reductions previously agreed upon.

Of course, Mr. Chair, you'll know that the $7,040,392,000 comes from the total amount of Treasury Board vote 40, and the reduction amount comes from the allocation under the Privy Council Office for a new process for federal election leaders debates. That reference is just to help provide clarity, because normally, you don't necessarily have all of the different moving parts that you have under a vote. This is just to provide clarity as to where that particular reduction number comes from, particularly in light of the fact that we'll be considering a number, a great number, over 200, in fact, potential reductions to Treasury Board vote 40.

I thought that this was an important one to start with. We heard from the Privy Council Office that they weren't prepared to answer any questions about this particular proposed allocation under vote 40 because they had no plan for the money. I think members will know, and I think I've been as clear as one can be, that I don't think it's appropriate to grant authority for spending when the government has no plan for what it intends to do with the money. A high-level tale of what they're intending is nice, but it's not what I think people expect when they send us here to provide some more rigorous accountability.

It could be an important initiative, and the point isn't that the idea of reforming the process for federal election leaders debates is a bad idea, or that it shouldn't be done. The point is that there's a number here, $750,000, and before we say that this is an appropriate amount to dedicate to that particular initiative, I think we owe it to Canadians to ensure that the government has a sense of how it's going to spend it, because there are a number of different ways that you could support a new process for federal election leaders' debates.

● (1300)

[*Translation*]

Mr. Ramez Ayoub: Mr. Chair, since it is 1 p.m., I suggest that we suspend and continue the next time.

[*English*]

The Chair: We cannot adjourn without a proper motion on the floor to adjourn.

We do have this room until 4 p.m. The most pressing thing for me today is the deadline to report back the Treasury Board Secretariat main estimates.

Mr. Daniel Blaikie: If I could then, Mr. Chair, I would happily move that we extend the meeting until we've dispensed with all the proposed amendments for vote 40.

The Chair: Again, we have to deal with this today. I don't know that suspension would serve a very useful purpose, Mr. Blaikie.

Mr. Daniel Blaikie: I'm not moving suspension. I'm moving extension, that we extend the meeting until we've dealt with the amendments or until the deadline.

The Chair: We will be here, Mr. Blaikie, until we dispense with your comments.

Mr. Daniel Blaikie: Okay.

Ms. Yasmin Ratansi: Mr. Chair, I have a point of order.

The Chair: Certainly.

Ms. Yasmin Ratansi: You require consent to extend. Have you asked the committee if they consent to extend the time?

The Chair: I have not, only because the chair can suspend or extend at his or her desire. Since this has to be reported back today, I would love to deal with it, if we could, expeditiously.

Ms. Yasmin Ratansi: Mr. Chair, if we don't vote on it, it's deemed approved.

The Chair: We have until midnight until that occurs.

Madam Ratansi, I know what you're saying, quite frankly. I'm not enamoured of the thought of sitting here until midnight but from a procedural standpoint, that's where we are.

Mr. Blaikie.

Mr. Daniel Blaikie: Thank you very much.

The Chair: Do we have another point of order?

Ms. Yasmin Ratansi: Could we look at the Standing Orders to see if we need majority consent to sit past the scheduled time, please?

The Chair: Certainly.

Ms. Ratansi, there's really nothing in the Standing Orders that prevents us from continuing.

Ms. Yasmin Ratansi: Okay. You can continue.

The Chair: Mr. Blaikie.

Mr. Daniel Blaikie: Thank you very much.

I believe I was just at the point in my remarks where I was going to share with the committee some of the possible ways in which one might go about spending $750,000 to support a new process for a federal election leaders debate.

One of the things that this government has done often and is a fan of and in principle is a very good thing is consultation. Of course, there are a number of different ways, even just under the rubric of consultation, that one could choose to consult Canadians on a new process for federal election leaders debates. Just think of social media, Mr. Chair. I'm sure you've seen a number of times in this Parliament already that the government has framed itself as a proponent of social media consultation and has done a number of consultations on social media. Therefore, one can imagine that if what's conceived or if the ultimate plan for the consultation for this particular initiative is a Twitter consultation, which we have seen before, then as an MP, I think I have not just every right, but, frankly, a duty, to ask why it is we would have a $750,000 budget for a Twitter consultation. The minister has a number of staff already. There's staff in the PCO. Presumably, some of those staff are adept at Twitter or social media, and they wouldn't have to bring in a consultant for $750,000 in order to implement a Twitter consultation.

That's one way they could do it. Even within that, I think at that point the amount of money that we're talking about would be obscene. Even within the very idea of a Twitter consultation, Mr. Chair, I think you'd find there might be some controversy as to how exactly you evaluate the feedback you're getting from Canadians. Is it re-tweets? Is it likes? Are 240 characters really sufficient in order to get a good sense of where Canadians are with respect to something that is quite important?

Of course, we know from the last election there was some controversy about the way in which federal leadership debates unfolded. It had to do with whether or not some leaders, in the eyes of the public and their political opponents, were accepting enough invitations to participate in debates.

Now, I'm not saying that this is a good idea, but one way that one can imagine the government might end up deciding that they want to support this process is by legislative changes that would then require party leaders to attend a minimum number of debates which are organized in a certain fashion. We'll come to that I'm sure over the course of this debate. Say that was the upshot—

● (1305)

The Chair: Sorry to interrupt, but just for the information of all colleagues around the table, Mr. Blaikie used the term "debate", and that's quite correct. We are currently debating amendment 169 under vote 40. I'm assembling a speakers list. I have a few people who have indicated they wish to speak. That's where we are. If you do wish to speak, please indicate by raising your hand, and we'll put you on the list.

Sorry, Mr. Blaikie.

Mr. Daniel Blaikie: Thank you very much for that clarification, Mr. Chair. That's helpful.

If it were the case that the mechanism the government decided to use in order to support a more robust leadership debate process in federal elections was legislative, then again I think we're at the point where we could ask why the government needs an additional $750,000 to support a legislative process that's already well supported within the existing resources. Arguably, due to the relatively small quantity of legislation this Parliament has seen compared to others, the legislative branch might actually be over-resourced for this particular government. Certainly, if it's a legislative fix, I think we can say that a $750,000 supplement to the existing resources is probably not appropriate. That's part of the crux of the matter of what we've been trying to get at with respect to this initiative, but also many other initiatives, to the extent to which parliamentarians can make a judgment about the amount that's appropriate for a particular item in the absence of having departments appear and be able to answer those questions. It's not that they're not answering those questions because they don't want to, or they're being deliberately evasive. It's because they can't, in principle, answer questions about programs that they haven't developed yet. That's been a recurring theme.

Twitter consultations, legislative changes.... Even under the rubric of social media consultation, I think many members around the table will know Twitter is not the only way to consult Canadians with respect to social media. You might be able to do a slightly more in-depth consultation if you used the medium of Facebook as opposed to Twitter. Facebook Live enables people to interact in real time with the host of the seminar. That would actually be a real back and forth with Canadians. Presumably, of course, if they wanted to do it more on the political side, and do some political branding at the same time, they might have the Minister of Democratic Institutions conduct such a consultation so that she can interact directly, but we've also seen instances where parliamentary—

The Chair: Once again I'm sorry to interrupt but I do have to excuse myself just for a few moments.

Madam Ratansi, perhaps you wouldn't mind taking the chair and proceeding.

The Vice-Chair (Ms. Yasmin Ratansi): Go ahead, Mr. Blaikie.

Mr. Daniel Blaikie: Thank you very much, Madam Chair.

I was just mentioning that Facebook is another way in which government can consult Canadians on social media. Facebook Live is a particularly interesting tool that I know some members of government have used because it allows for some real-time interaction, with questions and answers and whatnot. The government might consider doing that.

Just to bring it back to the amendment at hand, the question then would be, again, why would you require $750,000 to do a consultation like that? Access to Facebook is free for most uses, including doing something on Facebook Live. That would enable government to be able to consult a cross-section of Canadians quite directly and save on the expensive travel. Of course, sometimes travel is an expense that comes in the course of consultation, whether that's government consultation or, as we know quite well, committee consultation. This committee has travelled before. I recall sitting in, before I was a permanent member of this committee, when the committee was in Winnipeg on the Canada Post issue. Of course, that kind of travel isn't free, but part of the point is that we don't know whether travel is foreseen as an item in the $750,000 being asked for here.

Instagram, of course, is another social media platform. I'll leave it to experts to determine whether or not that's a good consultation tool. I'm more familiar with Twitter and Facebook. It seems to me they're more interactive in the appropriate way with respect to consultation. It's difficult to get a clear sense of what Canadians might want for a federal election debate process simply through images, although some Canadians are pretty adept at creating memes. One can imagine that there might be some insightful and humorous communication by a number of those Canadians through an Instagram consultation. I'll leave it to minds smarter than mine to envision exactly what that might look like.

You might actually need to have some funds in order to develop the concept of an Instagram consultation. I'm not sure of the cost, but surely not $750,000, or at least I hope not; if it did cost that much, I would think that would be far too much to spend on a social media experiment. Canadians shouldn't be required to pay that bill when at some point, I would think, if Instagram consultation does have a promising future, we'll see members of the private sector develop that in order to realize its potential.

As well—

● (1310)

Mr. Rémi Massé: Madam Chair, I have a point of order.

The Vice-Chair (Ms. Yasmin Ratansi): Yes.

Mr. Rémi Massé: I'm just wondering how relevant what Mr. Blaikie is saying is to vote 40.

I don't know where you are going on this, Mr. Blaikie.

The Chair: Unfortunately, you may have made an intervention, but Mr. Blaikie still has the floor. He's well within his procedural rights to continue.

Mr. Rémi Massé: I presume it at least has to be in relation to the subject we're discussing. This stops us from voting on vote 40, so perhaps he could explain.

He's going on to social media and Instagram. I have no idea where he's going.

The Chair: Actually, the rules of relevance do not apply here. You will notice, if you've paid attention in the House, that even Speaker Regan from time to time has said that he is constrained. While many people even in question period would like to see ministers answer questions that are perhaps relevant to the question asked, the ministers are under no compulsion to do so.

Similarly, as long as Mr. Blaikie does not become repetitive, which I'm paying close attention to, and as long as he does not refuse to answer or speak to the motion before us, relevance does not have any purpose here for this discussion.

Mr. Blaikie.

Mr. Daniel Blaikie: Thank you very much, Mr. Chair.

I hope members will feel that I'm being relevant. I thank Mr. Massé for making my point, in part, which is that the problem with the money requested for this particular initiative is that we don't actually know what it's for.

Mr. Rémi Massé: [*Inaudible—Editor*]

Mr. Daniel Blaikie: Well, no, we didn't, not from the Privy Council Office. I recognize that the member is not a permanent member of this committee. If he were, he would know that when the Privy Council Office appeared to speak to their allocation under vote 40, they said very clearly that they couldn't tell us what the money was for; the program hadn't been developed yet.

Now, that leaves the door pretty wide open. What I'm trying to provide in my remarks is some speculation as to what a possible program looks like that would support a new process for federal election debates. My point was quite relevant to costing. I was trying to suggest that if it ends up being the case...and we don't know, because we actually have no guidance whatsoever from the PCO on what it is they're planning to do with this money. They've been very clear.

Mr. Rémi Massé: [*Inaudible—Editor*]

Mr. Daniel Blaikie: No, we already asked the PCO. I didn't need to ask these departmental officials.

Mr. Rémi Massé: [*Inaudible—Editor*]

The Chair: Order.

Mr. Daniel Blaikie: I asked the Privy Council Office.

● (1315)

The Chair: I know you're not a permanent member here, but Mr. Blaikie does have the floor.

I would encourage all members not to interrupt as he is speaking. Once he cedes the floor, I have a speakers list, and others will have the opportunity.

Mr. Blaikie.

Mr. Daniel Blaikie: My point, quite relevant to the cost here, was if it ends up being the case that the Privy Council Office lands on the idea of pioneering a new form of Instagram consultation with Canadians, and they were going to spend $750,000 doing it, that would be a waste of money. I would not vote to support that, because we don't have any assurance from the Privy Council Office that this isn't where they're going to land. In good conscience, I can't approve that money.

That was my point. I think it's quite relevant to the motion, Mr. Chair. I take exception to the idea that I wasn't being relevant. I was talking about what a possible program might look like, and was simply saying that I don't think it's the role of government to be pioneering it.

I was adding to that at the moment I was interrupted. I think if that were a promising avenue for consultation with Canadians, that would likely be developed in the private sector. The government could then benefit from the template established by companies who are consulting their customers within Canada. At that point, the start-up cost of doing an Instagram consultation would be far lower than what it might be now, if that isn't already a thing. That's simply what I was saying, Mr. Chair. I think it's quite pertinent.

All that to say, if we're just talking about consultation, under the rubric of social media consultation alone I think it's pretty clear there are a number of possible options. Probably, under any of those options, $750,000 is simply too large a budget. I don't think that makes sense.

Of course, consulting people on social media isn't the only way to consult Canadians. Even just at the initial program development stage, you see a number of program choices could be made, and I think it matters how much money we approve under that rubric, which option the government chooses to undertake.

Imagine that instead of doing a social media consultation, or in addition to doing a social media consultation because a social media consultation doesn't cost a lot of money, the government decided it wanted to travel across the country into a number of different communities, not just large urban centres, but rural and remote communities as well. It would start to make sense why you would need a large budget, if this is consultation money. At that point, you're looking at booking flights. Again I think it would be of interest to parliamentarians to know if that's a core aspect of what money is being asked for, how many staff government envisions bringing on that trip. Is this a minister and a political aide and two translators and a facilitator? That might be the bare minimum. We might be interested to know at that point whether $750,000 makes sense, or how many communities they expect they could make it into at that price point.

If they envision having a larger team for consultation, then at that point I think it would be pertinent for parliamentarians to ask if that larger team is necessary or not, and to challenge the idea of how many members have to go or not go, as the case may be.

We do that even at the committee level. As somebody who has been around this place for a while on many committees, and I'm sure you have travelled with committees before, you'll know that sometimes arrangements are arrived at between committee members where the entire committee doesn't have to travel. Instead, a reduced complement travels. That's exactly because committees are concerned about costs and the budget. It's not a sky-is-the-limit kind of thing.

A similar principle applies to government consultation. If the government is contemplating a long period of travel, it's important to know how many people they think they're going to take with them, and why they think they need that many people to go. Are they running these consultations in various communities, in community halls, or local schools, or are they renting really fancy hotels and inviting people to a hospitality suite? Those are things that I think committee members might be interested to know.

● (1320)

Contrary to the remarks from some of the Treasury Board officials earlier today, I think parliamentarians have every right to know, and every duty to ask in advance of something like this—an ask for $750,000—whether that is in fact the intention of government or not. One can imagine certain types of consultation. I think we've even heard tell of some more exclusive consultations that government sometimes does, even this government recently, where they're invitation only.

It's one thing to go out across the country and to speak with Canadians in community clubs and schools in their own community and to have it be open to the public so that anybody who has an opinion on the appropriateness of a particular form or style of federal leaders debate can weigh in. It's quite another thing to say we're going to rent out some ritzy hotel rooms in Vancouver, Montreal, and Toronto, and we're going to invite some powerful media magnates. We're going to wine and dine them on champagne and caviar, and we're going to hear what they think. That, too, would be a consultation.

I'm not saying that's what this government would do. I'm saying that's what some government might do, and I think they would be wrong to do it. I think Canadians would be upset if they found out that $750,000 paid for three consultations where the list was closed to just some powerful people by invitation.

Mr. Rémi Massé: Mr. Chair, if I may, you said to me that you were making sure Mr. Blaikie is not repetitive, that he stays relevant, but he's talking about caviar, hotel rooms—and he's repeating hotel rooms—consultation, Instagram.

I trust you, Mr. Chair, but I'm trying to see—

The Chair: He's not being repetitive and relevance is no factor in this.

Mr. Rémi Massé: I found that it was repetitive.

The Chair: I'm listening very carefully, Mr. Massé. You were in fact out of the room, and I was still listening. I have not found any repetitive nature to it yet.

If it does, believe me, I will—

Mr. Daniel Blaikie: Thank you very much, Mr. Chair.

I am glad to clarify that the references to champagne and caviar didn't come out of nowhere. I'm talking about a particular way that one might choose to consult Canadians. One way that has sometimes happened is that the government embarks on an invitation-only consultation. Now I am repeating myself, but only for the benefit of Mr. Massé, who I think didn't appreciate initially how these remarks tied to the motion. I'm concerned to do that for him. If you'll give me some leeway to be somewhat repetitive, it's only for the benefit of Mr. Massé.

Of course, that is one way that you can consult. It's invitation only. Then the question is, what is the set-up for this invitation-only thing? If you had a government that was concerned to hobnob with the rich and powerful, you can imagine that if they were given free rein over a budget of $750,000 and had little scruple, they might do something like order caviar and champagne to that hotel room for that particular consultation in order to make an impression that had very little to do with the substance of the matter, which is a new process for federal election leaders debates. That would be something that parliamentarians of all stripes around this table would be concerned about. It's certainly something that they ought to be concerned about. That is how the reference to champagne and caviar relates directly to this particular motion, and has to do with the potential uses of this budget, and how you consult.

Another way to do consultation for government.... I mean, there's no magic to government consultation. It's about getting out and talking to people. Of course, the government of the day is supported by a political party. In fact, this government, as all majority governments are, is supported in the House by a political party with the most number of current MPs. Another form that consultation could take, which wouldn't cost any money and therefore would not require a budget—certainly not $750,000—would be for those MPs to go out and to door-knock in their communities. They could talk to Canadians on their doorsteps about what they think worked or didn't work about the last federal election leaders debate. They could try to get some good ideas from them, in terms of how that process should be improved, and then pass that information back up to the appropriate minister, or to cabinet, or whatever process they design to get that feedback. That would be another low-cost form of consultation.

The point of the amendment is to highlight the fact that we don't actually have good information on what the government intends to do with this money, and that there are many different ways the government could be sufficiently faithful to the high-level goal. They might be able to say, "We're honouring what we said we'd do with this money," but actually end up with a result that's very far removed from what anyone would have expected they would actually do with that money. Of course, that's why we have a process where we call departmental officials to committee and we get to ask those questions, so that we can get a sense....

Earlier, I used the analogy of the Canada Border Services Agency. It's all well and good to say that we're going to dedicate money to supporting the CBSA and making Canada's border secure, but it's really not enough information to be able to approve that funding, because it matters whether you're simply hiring more staff, buying tanks, or building a wall. Those are all different ways of honouring that high-level commitment. They're not all equal. They're certainly not equal, not from a cost perspective, not from a moral perspective, and not from a political perspective, but they are all options.

It matters to discern beneath the general high-level goal what the main-line ways of using that funding are in order to accomplish that goal. When we had the Privy Council Office here before us, they were very clear that they had not yet made that determination. We left with as much information as we had when we came in the door and we were told not to expect any more information.

I have outlined how I think it is that if you were to just conceive of this at this moment—because we're in the year before the election—as a consultative budget to go out and talk to Canadians, you could have a number of different options with a number of different cost implications. Beyond consultation, when we move to action, it's not clear whether this line item is intended for consultation or intended for action, or intended for some mix of both.

● (1325)

There are allusions in the budget to more money next year for this same initiative, so we don't know if this is the consultation year and next year is the action year. It would certainly be strange if this year were the action year and next year were the consultation year, but I've come to learn from this government that one should not set the bar too high in terms of expectations and that anything can happen.

The Chair: Once again, Mr Blaikie, I don't want to be constantly interrupting you, but I would like to, prior to 2 p.m., and we have 30 minutes, get a sense from the committee, a consensus if possible, as to whether we should suspend for question period and the votes afterwards.

I certainly would be suspending for the votes, because they occur immediately after QP, but is it the will of the committee to suspend so you can participate in question period and the votes and then we will reconvene, or would you like to sit here until just before three o'clock?

Can I get a sense?

Mr. Daniel Blaikie: I'm happy to stay.

The Chair: I'd like to get a consensus. If everyone wants to go to QP, that's great. If only some of you want to go to QP, then we're staying.

I'm not hearing anything that sounds remotely like consensus, so Mr. Blaikie, we'll go back to you.

Mr. Daniel Blaikie: Thank you very much.

To remind committee members of where we were at before that discussion, I'll just say that what I've been trying to do is to outline that even if this were just a consultation budget, Mr. Chair, there are a lot of open questions as to how the government might go about it, but in fact we don't know if this budget is just for consultation or whether it's also for action. We don't know if the action is planned for year one or year two. I was saying that I think it makes sense, obviously, to have the consultation before the action, but you never know.

The point is, we didn't get an answer. Even an answer as simple and general as they plan to consult and then act was not given by the Privy Council Office when they were here at committee. They simply said, "We don't know what we're going to do with that money." We couldn't even get that much of an answer.

If people think that's silly, I would put it to the government: why was it that they couldn't provide at least that much of a basic answer? The fact that they were so ill prepared that they couldn't just say that they were going to do some consultation before they move ahead, and that at least part of this year's budget is going to be to support that consultation, I think shows just how ill prepared many of these government departments are to plan properly for the money they're asking to receive.

We heard earlier from a Treasury Board official, as you'll recall, Mr. Chair, on this same point, which ties directly to the amendment at hand, that it wasn't until after the budget was tabled that departments got a call letting them know about the Treasury Board central vote for budget implementation.

Here you have a brand spanking new pioneering way of providing funding to departments for all their new budget initiatives, and they didn't even know until after the budget was tabled that this was coming down the line. You would think that presumably they were working on some of what they were hoping to have in the budget, but of course approval for the budget is a policy approval. That's one thing. They wouldn't have done the kind of rigorous costing that goes into getting a Treasury Board approval, and then you wonder where the number comes from.

In response to some questioning by Mr. McCauley, I know that departments have sometimes said that they don't actually quite know where that number came from or how they arrived at that number. You would think that if they did some basic budgeting they would at least be able to tell you whether they intended to consult in year one and act in year two or something, but we got nothing.

If we set aside the question of consultation for just a moment and move to action, then there are all sorts of possibilities in terms of how the government might act to support a new process for federal election leaders' debates. I feel that I should say at the outset that I'm going to suggest some possible actions. I'm not saying they're good or bad, or that I support them or don't support them. All I'm trying to do at this point is lay out some of the possibilities. Because we've been given no direction by government officials in terms of where they might go or how they might act on this, it's incumbent upon us to consider all of the possibilities. I won't pretend to provide an exhaustive list, but I hope to provide as exhaustive an account as possible as to what some of the various methods for acting on this might be.

I alluded earlier to the idea that it might involve some legislative work. I would say even at the outset that if it does involve some legislative work, then I think we run up against some important principles of the House of Commons that call into question whether it's even appropriate for the government to be asking for the appropriation of funds at this time. It is a well established principle around here that if government is going to be asking to appropriate funds, it has to do that within its existing statutory and legal authorities. In fact, if there's doubt as to that, we heard earlier about an initiative that was presented under vote 40, one having to do with matrimonial real property, and was initially listed under the wrong department. It was wrong because that department doesn't have the legal and statutory authority to spend in that area.

● (1330)

As a result of government making a funding request outside of the legal and statutory authorities of a particular department, Treasury Board itself has seen fit to remove that particular allocation and reallocate it—well, not reallocate it, because it can't within the vote 40 structure, and it said that it won't. It will go to the supplementary estimates. It's important that any money that's being asked for under vote 40 be consistent with the statutory and legal authorities of departments already granted.

I would note the fact that the particular initiative will come in the supplementary estimates, and it doesn't seem to have caused any sense of panic among members of the government, or members of the governing party at this committee. They understand full well that not going ahead with a funding decision in vote 40 doesn't mean the government can't appropriate the funds. It just means it has to do it through the normal process. This isn't about stopping any particular government initiative; it's about holding the government to account to seek funds in the appropriate way that respects the accountability and oversight role of Parliament. We saw some evidence that at least with respect to certain items, government does see that.

Another example of that is found in the departmental plan for Veterans Affairs, where the government is proposing a program for veterans' pensions. You'll notice, Mr. Chair—and I'm sure you have already—that under vote 40 there isn't any new money assigned for that program, even though it was mentioned in the budget, and even though it's a substantial line item in terms of cost. That's explained in the departmental plan in a footnote to a table where the projected costs of that new program are outlined. The footnote tells us that the government is not requesting that funding at the moment, because it doesn't have the existing statutory and legal authority to do it, because there are legislative changes required to the legislation that structures the pension program, and it would be inappropriate for the government to seek those funds before it makes the changes to the legislation.

I have likewise argued in other places, and I think this is one of the problems with vote 40, that vote 40 itself doesn't seem to fall under any existing legal or statutory authority of Treasury Board, which is why I have asked the Speaker to rule vote 40 out of order in the House. The Speaker has yet to rule on that point. I'll be interested to see what the Speaker has to say with respect to that, because I do think that is a clear-cut case of government requesting funding in a way that defies the existing statutory and legal authority.

My concern is that if the Privy Council Office requires legislative amendments in order to implement this new process for federal election leaders debates, yet to be determined, and if this funding ends up being funding for anything that's not currently possible, but is only possible after Parliament passes some new legislation, or amends existing legislation in order to set it up, then the government and Parliament will have violated that important principle, which is that it have the properly constituted legal and statutory authority prior to requesting funding, and at this point we don't know.

So, I brought it back, Mr. Chair. You're surprised, but I—

● (1335)

The Chair: I'm hanging on your every word.

Mr. Kelly McCauley: I'm surprised. I'd like to hear that again, because I missed a part of that.

Mr. Daniel Blaikie: Kelly missed some of it, and he'd like me to go back.

The Chair: You're just getting warmed up.

Mr. Daniel Blaikie: That is an important principle around here. I think it makes sense. The reason that principle makes sense is that it requires of the government that they not anticipate the will of Parliament. Parliament hasn't decided anything until it has decided something. It's not for government to seek funds on a conditional basis.

That is to say, if such and such a law passes, then we'll already have the money ready to go. That would be to prejudge the outcome of a vote in Parliament. Frankly, I think it's disrespectful to members of the governing party who aren't in cabinet because it essentially expects that they're going to do whatever they're told to do and that there won't be times when government members disagree with the government and decide to act on that disagreement.

We have already had a bill in this Parliament that was a bit of private member's business, as you may recall, Mr. Chair. It effectively dealt with genetic discrimination and the ability—or now, the lessened ability—of insurance companies to require as a condition of insurance that people submit to the insurance company any information that had come from any kind of genetic testing.

Of course, this is a problem. It was a problem in Canada that this practice was allowed to continue when many other countries had rightfully done away with it. The problem was that insurance companies may then decide to deny coverage to people based on the results of that genetic testing, and that would be a disincentive for Canadians to do that testing because they would be afraid to get information that wasn't positive, which they would then be obligated to share with their insurance company.

Essentially, the upshot from a financial point of view was that they were better off not knowing because that would mean they would be able to get the appropriate insurance, or get insurance at a cheaper rate than they would otherwise get with the risk factors known to the insurance companies. However, from a health point of view, they would be far worse off because if they made the choice based on financial considerations, then they would be in a position where they were forgoing the opportunity to have the benefit of that genetic information, to know whether they needed to be assessed for early identification of various diseases or conditions.

The government came out very strongly against that legislation, and in no uncertain terms, they communicated very clearly to their members that they were to vote against that legislation. Now imagine if the government, prior to the vote.... Spoiler alert—there were a number of backbench MPs. I think it was in the neighbourhood of 40. I could be wrong. Perhaps some members here have a better sense, but it was in the neighbourhood of 40 backbench Liberal MPs who did decide to vote against the government and pass the bill.

It's as a result of their efforts and willingness to defy the government on that particular piece of legislation that Canadians will now be able to get genetic testing, find out whether they ought to be checked out for early indications of various conditions, and not have to worry that they'll be financially penalized for that. It's as a result of that defiance, if you will, by a number of backbench Liberal MPs that the law passed.

That's great, but now imagine if the government had, for some reason, appropriated a bunch of funds for the bill, to implement something if it passed, and then it didn't pass. Well now you'd be in a position of asking what to do with that money.

If the money had been authorized, but the conditions under which it was meant to be spent didn't come about, would the government just change its plan and say, "Well, we didn't get the legislative changes we wanted, but we're going to refer back to the high-level goal now and do something that doesn't require those legislative changes"? In that case, the money would clearly be used in a way that wasn't consistent with what Parliament approved it for.

That's why it's important that the statutory and legal authorities be in place prior to the funding request. That means that the government and Parliament itself aren't prejudging what the outcome of a vote or a debate in Parliament will be. I think we can imagine a number of ways in which having a new process for federal election leaders debates would precipitate some kind of legislative change.

● (1340)

I had alluded earlier to the idea that—and again, just to be perfectly clear, I'm not endorsing any of these possibilities that I'm going to mention. Some of them may be laudable, others may not. Some may be ones I end up supporting, others not, but that's not where we are in the discussion. Right now we're spitballing about ways we could have a new process for federal leaders debates because we haven't been given any direction by the Privy Council Office.

The Chair: Some members may want to hear your opinions on which method you would prefer, but it's up to you.

Mr. Daniel Blaikie: If we go long enough, we may get there, but then I would be speaking to another matter. Then I would be speaking to the substance of what a new process for federal leaders debates ought to look like. In my commitment to being relevant to the amendment at hand, I'm only talking about what the possibilities are, and how those might reflect either on the proposed budget, $750,000, or on rules and procedures of this place; hence, the lecture on legal and statutory mandates, because I think that's an important principle that ought to be observed throughout the appropriations process or supply process.

This would probably be the most crude way, and I'm really not sure a good way, that is, to pass a law that mandated federal leaders to show up at a certain number of debates. I will start with the most extreme end, and I will work my way through to more moderate versions of this position.

At the extreme end, the government might take it upon itself to simply name the dates and times, and to set up the debate effectively on its own, and then require federal party leaders to show up. The question is, what is the cost of these things is and where are the costs borne?

If you were to take the most heavy-handed approach, I think what you would find would be a government that legislates.... I'm not saying this is what the current government would do. I'm saying I think this is one of the most extreme versions I can imagine. Maybe other members have a more vivid imagination than I do, and when their turn comes in the debate they will illuminate us as to the vivacity of their.... I'm not sure how to convert that word, but anyway.

What I would say is if you had a government that said that they were going to take it upon themselves to set the dates and times, and just as we have fixed election dates, we're also going to have fixed leadership debates within that cycle, and a leader of a registered federal party that doesn't show up will be jailed.... You could make it an amendment to the criminal law. That would be one thing. Again, I'm not saying that's a good thing. I'm not saying it's a bad thing. I'm saying that's one thing you might imagine a government could do.

I think members would have some objection to that. Certainly federal party leaders might have an objection in terms of the substance, because they might say that's really a punishment that doesn't fit the crime. They might say they need to have some political discretion they can exercise with respect to debates and whether they show up or not. You could definitely imagine them feeling that way about it. Of course, the other thing it would do is that actually supporting a new process for federal election leaders debates would probably in that case be something that would incur new costs under the Department of Justice as opposed to under the Privy Council Office, which would be awkward and strange.

Is there a concert happening in the hallway?

● (1345)

Ms. Yasmin Ratansi: It would be a concert in your honour because you're going non-stop.

The Chair: It scared the bejesus out of me.

Mr. Daniel Blaikie: Thank you, Ms. Ratansi, for thinking my intervention could inspire such wonderful art. I'm touched.

Ms. Yasmin Ratansi: Keep going.

Mr. Daniel Blaikie: That's one way that you could do it. You could say, "Look, as a matter of fact, you're required to be here, and if you're not here, then that's a criminal offence."

Another way that you could do it would be to do it under the Canada Elections Act. If you did it under the Canada Elections Act, particularly if the punishment for not showing up was some kind of fine, then you would actually be generating revenue. If we knew that a new process for federal election leaders debates was going to be revenue generating, then we would have to consider that as we consider this price tag of $750,000 because perhaps then the costs both of developing and then implementing this new process would be offset by revenue. We can imagine that federal leaders would be likely to want to show up and not incur that cost, but it would be an open question as to whether or not they do.

Even as we think about that, another question comes up. Which leaders of federal parties would be eligible or would be required under the legislation? Would it just be leaders of official parties within the House of Commons prior to the last election? Would it be leaders of any registered political party that would then be part of this debate? Would it be leaders of federal political parties that are polling at a certain amount on the eve of the debate? I think there would be some considerable debate about what the qualification is. The reason this might have a cost implication is simply that if we're looking at whether or not a fine structure would generate revenue, it's going to matter how many federal political party leaders are required to be at the debate. If there's a whole bunch of them that are required to be at the debate, it's more likely that this will be a revenue-generating proposition than not.

Of course, there's another question that comes up with respect to trying to forecast revenue and, therefore, what it's appropriate for Parliament to approve if every leader of a federal political party is required to be at this debate. Of course, we know that some parties have more resources than others, and there may be a number of small parties without the means to fund their leader getting to that debate. In that case, they're going to have to undergo or submit to the fine. That is a question that bears on this.

Those are just the some of the most extreme versions where you have the government say that it's going to set the date and that it's going to require that they be there as a matter of criminal law, in which case we're amending the Criminal Code, or as a matter of administrative requirement under the Canada Elections Act, in which case there may be fines that could generate revenue. The government in Bill C-76, in the omnibus election reform bill, has actually used this mechanism as a penalty for other measures. In that bill, the government has proposed that if political parties fail to live up to the privacy policy that they post on their websites, a potential outcome of that could be that the party would be deregistered. That's pretty severe, but that's a consequence that's been put on the table by this government already. If it was inclined to use some of the mechanisms that it is already suggesting for certain important breaches of the election law, then we might see a scenario where if leaders of federal political parties don't show up to the federal election leaders debate, the party itself ends up deregistered. Again, that's quite extreme, but it's certainly something that is within the realm of the possible.

I'd remind you, Mr. Chair and the committee, that the debate we're having on this particular initiative is so wide-ranging because when we had the departmental officials here and we asked questions about what they wanted to do with the money, they left virtually every possibility open. They in no way restricted our thinking in terms of what they may or may not be doing with that money. That's why I think it's quite relevant to be exploring some of the possibilities of what they might ultimately come up with.

● (1350)

Certainly, if I can think of these things, and if we hear other suggestions from other members of the committee, then it's by no means beyond the ability of government to contemplate these things as well. That would be the issue if they were contemplating legislative changes in the most basic, strict way.

Another way they might introduce legislative changes that would be relatively complex and I think actually require more funding.... Although as I said,, I think it would be important for them to make those legislative changes and then ask for the funding. This is another reason I think we can in good conscience support this amendment and remove this money from vote 40.

One other kind of legislative change would be not to have government decide the dates of those leaders debates but to actually constitute, through legislation, some kind of independent commission that would then be the organization that does that and does it in a way that's arm's length.

You will recall, Mr. Chair, some of the complaints—and this was kind of an important discussion in the last election but some of these grievances certainly predated the last election; the last election wasn't the only time they came up—had to do with a media consortium without any particular mandate or authority deciding when and where these debates would take place as well as how these debates would unfold. That's something that any new legislation establishing a commission would want to address. We don't know that it would because we don't have the proposed legislation. We don't even know if the government is really contemplating that legislation. It does say in the budget, and if somebody ever wanted to find the page.... Maybe I'll look for it as I speak, Mr. Chair, because I think it would be beneficial, and I do have a tab here that does mention it. The problem is that there are so many tabs. I was trying to identify programs where there was an issue with not having sufficient information about a budget item before providing approval, and the PCO is definitely in here because that was one of them.

● (1355)

Mr. Kyle Peterson: Mr. Chair, on a point of order, in relation to your previous inquiry, I think if you canvassed the table, there might be some consensus to suspend for question period.

The Chair: I would like to get unanimity but if we don't, we'll continue on.

Mr. Kelly McCauley: I prefer to continue.

The Chair: There is no unanimity so we will continue.

Mr. Daniel Blaikie: Thank you for that intervention, Mr. Peterson. That allowed me to find the reference to the page that I was contemplating before. If you look at the budget entry for a new process for federal election leaders debate", members of the committee will find this on page 186 of the budget document, "Equality + Growth: A Strong Middle Class". For those who don't have a copy of the budget handy, I'll just read this into the record:

> Leaders' debates play an essential role in Canada's federal elections by engaging Canadians in the election campaigns and helping to inform their voting decision. Over the past 50 years, the way leaders' debates have been negotiated has put at risk the structure and potential usefulness of leaders' debates.
>
> The Government proposes to provide $6 million over two years....

Just by way of an explanatory note, what you see there is that with the government asking for only $750,000 this year, they are anticipating quite a large expenditure next year. That money would be used to support a new process that would ensure that federal leaders debates are organized in the public interest and improve Canadians' knowledge of the parties, their leaders, and their policy positions. The budget also states:

> In the coming months, the Minister of Democratic Institutions will bring forward potential approaches to leaders' debates. The Government may introduce legislation to implement the approach taken to establish the new process for leaders' debates.

You see there quite clearly that legislative changes of some kind are being contemplated. It's just that they don't commit to actually making any legislative changes but they are clearly contemplating them. We also hear that the Minister of Democratic Institutions will bring forward potential approaches, but again, it's not clear if she is going to consult and then develop some approaches. At that point, does that just go to Parliament? Does it go back out to Canada? What's the nature of consultation? What's the cost of consultation, or does she have something ready-made that they are considering, that they are just going to bring forward? At that point, either we will—

An hon. member: I find it quite interesting what you're saying.

Mr. Daniel Blaikie: Well, I do find it interesting that all of the Liberal members of the committee have just left.

The Chair: They most certainly have, and what that means is that we do not have quorum. It also means, accordingly, that we are adjourned. I will be reconvening the meeting, if possible, after votes, and we'll see who shows up.

Now for the record, I'd like to make sure that we indicate in the minutes exactly who is left at the time of adjournment: Mr. Blaikie, Mr. Kelly, Mr. McCauley, and me.

Since we don't have quorum, we are currently adjourned.

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